Daily Report

Latin America

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Cuba

Havana Reacts to U.S. Antidrug Plans, Actions

Bush's Proposal Noted

FL0609115689 Havana Radio Rebelde Network in Spanish 1053 GMT 6 Sep 89

[Report by Alberto de Perez; from the "Haciendo Radio" program]

[Text] Well, dear friends, in Washington yesterday President George Bush announced a new financial program to fight drugs. The program begins on 1 October, the start of the new 1990 fiscal year, and allots $7.9 billion to fight narcotics trafficking. The lion's share of this sum, dear friends, is designated for repressive activities, while only $2.101 billion of the budget for the fight against drugs is allotted for prevention, education, and treatment. In other words, only 26 percent of the budget has been assigned to the most important aspects of prevention, education, and treatment of drug addicts while $4.964 billion has been allotted for prisons, the legal system, and the police to repress drug trafficking.

Further Reaction to Plan

FL0609175289 Havana Radio Rebelde Network in Spanish 1715 GMT 6 Sep 89

[Station commentary]

[Text] Last night, after hearing the new antidrug plan launched by President George Bush, one can better understand why U.S. citizens feel that the problem of narcotics is the number one problem in their nation. Bush's message could not have been more pathetic.

In effect, drugs are undermining and destroying U.S. society in an alarming manner. The president did not hide this. He admitted that today narcotics is the biggest threat the United States has faced in recent decades. Drugs, said Bush in his own words, are a quagmire in our society that undermines its members, families, and institutions. The leader went even further. He warned that if the people of the United States are not capable of uniting in this fight, the war against drugs will be lost.

The first reaction to Bush's antidrug plan came from a member of the Judiciary Committee of the U.S. Senate, Democrat Joseph Biden. The parliamentarian feels that the program is not sufficiently severe, precise, or imaginative. It is not without reason that Biden asked how only $7.9 billion can be allotted to the nation's largest problem while $300 billion is assigned to the Pentagon. Biden feels it is ridiculous to designate only 1 cent of every tax dollar to antinarcotics activities when the number of police is the same as it was 10 years ago; when 6 out of every 10 criminals are released without trial because of a lack of judges, prosecutors, or prisons to sanction them; and when, as Bush admitted, the United States is losing the war against drugs in its own territory.

Naturally, the Bush plan contemplates all these factors, but Biden feels that three times the amount the President asked for is needed to fight drugs and to alleviate the schools from the drug craze.

We have not referred to the aid the United States will give other countries. The form that this aid will take will be assessed in later commentaries.

For now, it seems that the world should cooperate with the Bush plan for ethical and humane reasons. However, because of the way it has been conceived, we do not think that the plan will go very far. We'll discuss it again.

Aid to Colombia Criticized

PA1070930989 Havana International Service in Spanish 0020 GMT 7 Sep 89

["Our America" commentary by Manolo Ortega]

[Text] AIDS and drug trafficking have become two of the major scourges which currently afflict mankind, and it would be difficult to find a person who doubts the need to join efforts and struggle against these two problems.

For example, the drug trafficking issue is a daily subject in Colombia, whose cities are shaken every day by the criminal and bloody actions of bands which engage in the illegal drug trade. Hence, the Colombian authorities have been exerting themselves for some time to stop this phenomenon, which hinders Colombian society's daily activities.

Beyond the Colombian and Latin American borders, the United States—a country which leads in the consumption of drugs—has also begun to worry, but not too much. It is more concerned about drug production in other countries than about drug consumers themselves.

Referring to this, the U.S. Government decided that it would donate to Colombia approximately $65 million worth of weapons—under the guise that the problem must be attacked outside U.S. territory. However, the weapons will be followed by a group of military officers who, under the pretext of teaching their Colombian counterparts how to use the weapons, might repeat the interventionist maneuver carried out last year in Bolivia and Ecuador. [as heard]

However, U.S. authorities use verbal subtleties like military instructors, advisers, or counselors when referring to the men in uniform. If your memory is good, you can recall that the Colombian Government said it did not need these men at all. During a recent visit to Santander Department, President Virgilio Barco criticized drug consumer countries and termed as counter-productive the attitude adopted by developed nations which do nothing to control the scourge.

The Colombian president added: One cannot accept the fact that drugs are sold at every corner of the developed

nations' great cities—with the citizenry's and the authorities' indulgence—while we wage an overall battle against drug traffickers in Colombia.

We have said many times that, as far as the United States is concerned, the fight against drugs must begin in its own territory. That is where the military advisers are needed most because in Latin America, specifically Colombia, the local Armed Forces are more than enough to struggle against the illegal traffickers.

The British newspaper THE SUNDAY TIMES clearly warned in a recent edition that, as in the past, the current antidrug crusade launched by the United States may involve a lot of fanfare but lacks substance.

Havana Notes Joint U.S.-Argentine Maneuvers

FL0609204189 Havana Radio Reloj Network in Spanish 1942 GMT 6 Sep 89

[Text] U.S. combat naval planes have landed on an Argentine naval air base that is located 690 km north of Buenos Aires, thus initiating joint maneuvers between both nations.

According to the Argentine news agency TELAM, the planes landed on the Comandante Espora Base in Bahia Blanca, the same base where three destroyers, one submarine, and one landing craft for tanks will soon dock.

These will be the first joint exercises to be held between the United States and Argentina since these activities were interrupted in 1982 when Washington backed the U.K. during the Malvinas War.

The U.S.-Argentine maneuvers will be carried out 11-15 September and will consist of simulated antisubmarine, antiaircraft, electronic, and naval activities.

Coverage of Cubana Airlines Crash Aftermath

Italian Specialists Arrive

FL0609104789 Havana Television Service in Spanish 0000 GMT 6 Sep 89

[Text] A delegation from the technical evaluation division belonging to Italy's Ministry of Civil Protection arrived in our nation this afternoon. They were greeted at Jose Marti International Airport by Division General Rogelio Acevedo Gonzalez, president of the Cuban Civil Aeronautics Institute [IACC], and Mr Carlo Civiletti, Italian ambassador to Cuba.

Now we present an interview with Div Gen Rogelio Acevedo on the plane accident.

[Begin recording] [Reporter, identified only as Rojo] A team from Cuban television has gone to the place where the state commission that is investigating everything related to the air crash is located. With us is the president of the IACC, Div Gen Rogelio Acevedo Gonzalez.

[Acevedo] Well, Rojo, Sunday night itself, as our people well know, this state investigative commission was established. The commission is made up of some 50 officials who are highly qualified in a number of specialties. Many of these people are not from the IACC, but from the DAAFAR [Antiaircraft Defense and Revolutionary Air Force]. Both of these groups are from the Ministry of the Interior, the Prosecutors Office, etcetera.

We can say that we have been working constantly for some 48 hours. We believe we will have some preliminary information tomorrow. This information will be made known to our people. As you can imagine, this is not an easy task. We must follow national and international civil aeronautics regulations. We also have to conduct a rigorous analysis of the information and data to discover the truth and study a group of things. For example, this plane, the IL-62, has four boxes that gather information. These boxes are commonly known as black boxes. Of these four boxes, we first found only one. Finally, yesterday we found the third one. Now we only have one box missing, it is the least important one, but it seems to have been destroyed in the accident.

One of these boxes, the one with the most information, will be.... [changes thought] It is necessary to open this box in the Soviet Union, it cannot be done in Cuba. However, with the two boxes we do have, we can consider some of the hypotheses we have regarding the accident.

As you saw just a few moments ago, the comrades.... [changes thought] a group of Italian officials arrived. They were sent to our country upon the request of their ambassador. They will be given every opportunity to work jointly with our commission. We have instructions by the Communist Party of Cuba and our government stating that they are to receive any assistance for this so that they can evaluate all information. Also, the relatives of the victims and some Italian reporters will be arriving soon.

Finally, I wanted to tell you that our people can be assured that we are doing everything possible to determine the cause of the accident. With the clear line that has always been followed by our revolution, we will report only the truth regarding the results of our investigation.

This is what I wanted to say. [end recording]

Preliminary Statement Issued

FL0609134289 Havana Tele-Rebelde Network in Spanish 1100 GMT 6 Sep 89

[Text] For the purpose of keeping the national and international public informed, the state commission investigating the catastrophic aviation accident that occurred last Sunday in Havana City has reported the following: [video shows caption that says "preliminary statement"]

First, the commission was able to determine the satisfactory condition of the technology, as well as the high-level of training, professionalism, and modernization of the plane's crew.

Second, three of the four flight recorders, commonly known as black boxes, have been recovered from the IL-62 so that they can be processed.

Third, preliminary statistics indicate that weather conditions worsened at the time of the disaster, which resulted in strong wind currents ascending and descending to low altitudes near the end of the Jose Marti Airport runway.

Fourth, according to international norms and the necessary procedure of compiling and processing the information, the commission plans to issue its conclusions on the investigative process within a time frame of 15 to 20 days, because one of the flight recorders, the most important one, must be sent to the USSR to be deciphered.

Cuban Civil Aeronautics Institute.

Italian Envoy on Activities

FL0709030089 Havana Television Service in Spanish 0000 GMT 7 Sep 89

[Interview with Italian Ambassador Carlo Civiletti, place and time not given—recorded]

[Text] [Unidentified Reporter] Today, there was a meeting between the president of the Cuban Civil Aeronautics Institute [Division General Rogelio Acevedo], the group of Italian experts visiting Cuba, and yourself. What can you tell us about it?

[Civiletti] Well, I attended the meeting which issued the preliminary statement by Gen Acevedo, in his capacity as president of the special commission to investigate this accident. I must say that it seemed to me, as well as the other members of the Italian delegation, like a very open and complete statement. I would also say that this statement was, professionally speaking, impeccable.

I think that, in addition to the report on the actual findings of the commission, the Cuban experts offered help and assistance to each of the Italian mission's members to help and clarify matters and give any details the Italian group might need. So I think that the atmosphere was one of great cooperation and mutual trust.

We, of course, did not expect any conclusions as yet because, as they explained to us, it is not the moment to make any conclusions. However, we were very interested in reading about the general process of this project. Our satisfaction is a result of what I was saying before, the statement is very complete, responsible, and detailed. We are also happy to see that the commission is working in an intense manner.

Keeping in mind the quality of the investigation, I think that the investigation is proceeding swiftly. Of course, it also shows the spirit of cooperation we have been offered. I do not think that there has been any request made by the Italian delegation that has not received a favorable response from the commission.

Raul Castro's NAM Speech Noted in Panama

FL0709015189 Havana Television Service in Spanish 0000 GMT 7 Sep 89

[Telephone conversation with reporter Nelson Notario Castro from Panama]

[Text] The speech given yesterday by Army General Raul Castro Ruz, first vice president of the Councils of State and Ministers, before the nonaligned summit in Belgrade, mentioned the struggle of the Panamanian people. This speech was noted by the Panamanian mass media.

In its bulletin a little while ago, the national information system said the following: The U.S. aggression against Panama is a crime we cannot tolerate, said Raul Castro in Belgrade.

Meanwhile, national radio praised Raul's speech, and they made contact via telephone with the chief of the Panamanian delegation, the newly appointed foreign minister of the provisional government Dr Carlos Ozores Typaldos. Ozores said that Raul's speech had a big impact in the Yugoslav capital. He added that when Raul finished his speech, the entire Panamanian delegation went and thanked him for his solidarity with this nation.

Miret Attends CEMA Meeting for Power Plants

FL0609162289 Havana Radio Progreso Network in Spanish 2230 GMT 5 Sep 89

[Text] The fourth meeting of the second CEMA session for nuclear power plants, which began today in the capital, is of great importance for Cuban nuclear power.

The inaugural session of the meeting—which is composed of nine representatives from socialist countries, as well as representatives from CEMA, and the (Interet-omenergo) Association—was attended by Pedro Miret [Prieto], member of the Communist Party of Cuba Central Committee Politburo and vice president of the Councils of State and Ministers, and Fidel Castro Diaz-Balart, executive secretary of the Cuban Atomic Energy Commission.

* Increase in International Tourism Reported

32480209 Havana TRABAJADORES in Spanish 31 Jul 89 p 4

[Article by Daniel R. Orozco Pastrana]

[Text] One of Cuba's main economic achievements during 1988 was the increase in international tourism, a continuation of the upward trend of past years.

A comparison of that year's statistics with those of 1987 shows an increase of nearly 35 million pesos with respect to tourism from countries with market economies. Latin America, West Europe, and Canada were the primary areas of origin.

In order to adequately respond to the increase in the volume of tourists, we continued to expand investments, especially for the initiation of projects involving the construction of new hotels in the nation's various tourist regions.

Over 400 new dwellings were made available; at the same time, tourist cottages on the beaches of eastern Havana and Varadero were remodeled.

Hotel repairs, remodeling, and expansions were also begun, primarily in Havana, Camaguey, and Santiago. This will permit an increase, over the short term, in available lodgings.

In addition to the above, work was also done on nonhotel service facilities including repairs to restaurants and the Cabaret Tropicana, as well as plumbing and sewer projects.

Work was also done on communications, technical and transportation networks, and the Varadero and Havana airports, among other things.

In 1988 advertising continued via the principal mechanisms. This practice was begun in past years in order to promote the country as a tourist destination, through participation in fairs, expositions, and congresses.

The country is employing various financial means to encourage the maximum development of its potential. This is in accordance with Decree No. 50 which was approved by the Popular National Assembly in February 1982 to establish mixed enterprises.

International Tourism

	1987	1988	Comparison of 1988 with 1987 (%)
Total Income (in millions of pesos)	117.8	152.9	129.7
Countries with Market Economies	111.7	146.8	131.4
Socialist Countries	6.1	6.1	100.0
Number of Tourists (in thousands)	281.8	309.2	109.7
Countries with Market Economies	223.0	246.9	110.7
Socialist Countries	58.8	62.3	106.0

* Medical Services for Foreign Tourists Detailed

32480202 Havana BOHEMIA in Spanish No 23 9 Jun 89 p 32

[Article by Alberto Salazar]

[Text] Providing medical care and various physical rehabilitation services to more than 2,000 visitors in 1988 was more than an accomplished goal for the Cubanacan corporation; it was a point of departure toward loftier objectives.

Through its management entity Servimed, the young enterprise (created just 2 years ago) has plans to quickly expand its offerings to the so-called health tourists. This effort will virtually turn the greatest of the Antilles into a kind of international clinic in the middle of the Caribbean before the century ends.

So far, the services most often requested are the elimination of kidney stones through the technique known as extracorporeal lithotrity, varicose vein surgery using the scissor-needle system, and the use of interferons to cure a variety of illnesses.

These services, in addition to health check-ups, laboratory research, dentistry, radiography and ultrasound, dietetics, and other specialties, are provided primarily at the Cira Garcia Clinic, located in the once exclusive capital neighborhood of Miramar, and at some of the better-equipped hospitals in Havana.

A separate paragraph should be devoted to the Placental Histotherapy Center, given the large number of people who travel to Cuba to avail themselves of its services. This institution is involved in studying the principal agents present in the human placenta so that they can be used in the treatment of different pathologies.

The many pharmacological, toxicological, and clinical tests to which its products are subjected before being used in medical practice ensure their efficacy and safety. They have yielded important results like Melagenina, the only medication capable of repigmenting the skin of those who suffer from vitiligo (leukoderma) without side effects.

Hundreds of these patients come to the center's international clinic service each year from over 50 countries. After undergoing a rigorous computerized clinical evaluation, they begin the new treatment under the supervision of its creator, Dr Carlos Millares Cao.

For some time now, a small Cuban clinic for the treatment of vitiligo has been operating in the Canary Islands, and has yielded very good results. Soon another will be opened up in Madrid, and talks are being held to open such clinics in France, Panama, the Dominican Republic, India, and Italy.

A vial of Melagenina costs just $3, while a visit with a specialist ranges between $20 and $80.

Much for Less

Aside from its renowned quality and scientific level, Cuban medical care is extremely attractive to foreigners because it is so cheap. Whereas in the United States it

costs some $40,000 to have kidney stones removed by laser, and cardiovascular surgery costs $50,000 to $60,000, in Cuba these figures are a mere $6,000 and $12,000 to $13,000, respectively.

The rates charged patients from Latin American countries tend to be lower, and on not a few occasions people of very limited means have received free treatment, including room, board, and other costs incurred not only by them but by the people who accompanied them.

Servimed also markets an ever wider array of pharmaceutical products and medical equipment manufactured in Cuba. Some of them have yielded such promising results that the manufacturing industry must make a great effort to fill orders, both local and foreign.

The efforts have been so promising in the short term that the corporation is allocating and will continue to allocate large sums to increase capacity and supply in the tourist health sector.

Among the facilities that are to be built are several health resorts in areas that have been known for their medicinal waters for centuries.

In addition, the so-called rehabilitation centers will be built. The first of them will be built on the beaches of Varadero and Santa Maria del Mar. These centers, designed to increase the individual's vital capacity, will have gymnasiums, saunas, steam baths, and various types of treatment that have been in use for a long time but are still of proven curative value, such as treatments with sea water, algae, infusions, massage, and vitamin tablets.

The expansion of Servimed's offerings will be doubly healthy: People from all over the world may travel to Cuba to receive treatment and enjoy its natural beauty, and the national tourist industry will be strengthened by this noble and beneficial activity.

General Casas Welcomes Combatants From Angola

FL0609192089 Havana Tele-Rebelde Network in Spanish 1700 GMT 6 Sep 89

[Text] Another group of internationalists arrived in the fatherland during the last few hours. Bringing medals, memories, and victories, approximately 140 internationalists combatants who fulfilled internationalists missions in Angola stepped on Cuban soil.

On behalf of our people, they were welcomed at the Jose Marti International Airport by Division General Senen Casas Regueiro, alternate member of the Communist Party of Cuba Central Committee Politburo; Division General Sergio del Valle, representing the Revolutionary Armed Forces; and Ministry of the Interior's Colonel (Cleaver Marti); as well as Roberto Robaina, first secretary of the Union of Young Communists, along with other officials and leaders of the party.

Barbados

Drug Bill Proposes Property, Asset Seizures

FL0609142589 Bridgetown CANA in English 2313 GMT 5 Sep 89

[By Hallam Hope]

[Text] Bridgetown, Barbados, Sept 5, CANA— Barbados has announced proposed legislation aimed at confiscating property gained from trafficking in illegal drugs as well as higher fines and longer sentences for dealing in narcotics.

Attorney General Maurice King reported on Tuesday that under the draft Proceeds of Crime Act, government is seeking to seize convicts' property derived from illegal drugs money.

He said the bill, which is currently being presented for public comment, was aimed at cases that have been "proved beyond any reasonable doubt to be the proceeds of criminal activity."

This act also seeks to allow the police to monitor individuals' banking and other financial documents which could relate to drugs, following a court order, and to search, with a warrant, any "tainted properties."

Under the act, the director of public prosecutions would also restrain the disposal of property by owners suspected of involvement in illegal drugs.

The draft bill too establishes money laundering as an offence, officially.

The Narcotics Drugs (Amendment) Bill, 1989, seeks to increase some maximum fines, in one case to Bdos 25,0000 dollars (one Bdos dollar = 50 cents U.S.) from 100,000 dollars, while a maximum of two years in a similar instance would be raised by five years.

On the draft Proceeds of Crime Bill, the minister said he was hoping to receive responses from the bar association, commercial banks and the public by month end and have it sent to Parliament shortly after its resumption on October 24.

King expressed confidence that the draft Proceeds of Crime Act would stand up to testing by the island's Constitution, which seeks to protect property owners from being deprived of their assets.

On a question about monitoring of peoples' finances, he said, "law abiding citizens will have nothing to fear."

The attorney general said there might be some arguments for the police to have greater powers, such as to tap phones and search properties without warrants, but added, "we have to be cautious about police powers."

He noted that the Constitution carried safeguards against such powers which might infringe on the individual's rights, but stressed the need for the public to indicate how such matters should be covered in the legislation.

Coverage of Reaction to U.S. Antidrug Proposal

Further on 5 Sep Speech

PA0609183089 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 6 Sep 89

[Passages within quotation marks are recorded Spanish translations of excerpts of U.S. President George Bush's 5 September speech on new U.S. antidrug program]

[Text] The U.S. Government announced on 5 September an ambitious program against drug use and trafficking. U.S. President George Bush presented the program—a program that surpasses the antidrug program designed by former administrations. Here is part of the message delivered by President George Bush on 5 September.

"Our national strategy seeks to meet all aspects of that threat. I will ask you to get involved in what promises to be a very difficult struggle. This is cocaine crack seized a short time ago by Drug Enforcement Administration agents in a park in front of the White House."

Aware of the complex drug problem, the U.S. Government designed the plan which seeks to definitely halt the addiction of U.S. citizens to drugs, because it discourages the demand. The demand will drop by itself, said Mr Bush.

"In 1985 the government estimated that 23 million U.S. citizens used drugs on a daily basis, at least say once a month. Last year this number was reduced by approximately 1/3, which means that almost 9 million fewer U.S. citizens were using drugs on a casual basis, as recreation, or a diversion. But despite the fact that we experienced this reduction, there has also been bad news, very bad news. Almost 8 million people have used cocaine in the past year. Almost 1 million of them use it frequently, once a week or more. What this means is even though there has been a general reduction in the use of cocaine, the frequent use of the drug has almost doubled in the past 3 years. The casual users of cocaine or crack are the most important drug problem at this moment."

The U.S. President designed a four-point plan. "We are determined to ensure fulfillment of the law. Our streets and neighborhoods will be safeguarded. To begin, he said, we will double federal aid to ensure fulfillment of the local federal and state laws. The U.S. users of cocaine will have to understand that our country has zero tolerance for the casual use of drugs. It is our responsibility not to leave our courageous friends in Colombia to fight on their own. The emergency $75 million assistance program which began 2 weeks ago was our first step to aid the Andean countries in the fight against the drug cartels. Colombia has arrested suppliers, has seized tons of cocaine and palaces belonging to the drug lords. But Colombia faces a long and arduous struggle. We have allocated more than $250 million to aid the three Andean countries of Colombia, Bolivia, and Peru." After outlining the basic aspects of the plan, the U.S. President urged his fellow citizens to openly support this crusade, because the country cannot afford to face it divided.

Press Reacts 'Favorably'

PA0609195489 Buenos Aires REUTER in Spanish 1913 GMT 6 Sep 89

[Text] Mexico City, 6 Sep (REUTER)—The antidrug program announced by U.S. President George Bush on Tuesday night was well received in Mexico, which is the transit point for one-third of the cocaine that enters the United States.

There was no immediate reaction by Mexican Government officials, but press comments in general today were favorable to Bush's decision to allocate $7.86 billion to the antidrug campaign.

"Up to now, U.S. policy had been to blame producers for this social plight," the government newspaper EL NACIONAL stated in an editorial.

"This reasoning, which prevented getting to the root of the problem, has been overcome by the admission that a big effort must be made on the internal front to repress drug distribution networks, to prevent addiction, and to rehabilitate drug users," it added.

The newspaper UNOMASUNO warned that Mexican officials must take note of Bush's announced intention to increase vigilance along the southern border, through which the Colombian drug cartels conduct their contraband operations.

It noted that Mexico has a clear responsibility to eradicate marijuana and opium plantations, and to control the clandestine landing strips in its territory, which are used to transfer cocaine from Colombia.

EXCELSIOR published an editorial noting that Bush's plan has flaws and some mistaken concepts, but described it as a positive step and praised his proposal for a regional conference.

"What is truly important is that it recognizes the international scope of the conflict and promises a forum to discuss and design better strategies," the newspaper said.

President Carlos Salinas' government has undertaken an antidrug trafficking campaign which has landed some spectacular blows to drug traffickers, such as the arrest in April of Miguel Angel Felix Gallardo, considered the country's drug czar who was linked with the Medellin Cartel.

Commentator on Bush Speech

PA0609175489 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 6 Sep 89

[Text] Today we have basically international topics. In this regard, it is worthwhile to stress the plan or program that we talked about to you yesterday, which was presented by U.S. President George Bush on the antidrug

issue. There are some data that explain why there is great interest in this issue in the United States.

For instance, the United States occupies 5 percent of the world's territory yet consumes 65 percent of the world's drugs. That means that 5 percent consumes 65 percent of what is produced. That gives you an idea of why President George Bush is concerned. His concern appears to be very honest. He insists that drug trafficking is gaining ground in Mexico—obviously because of the Medellin Cartel—in view of everything that has happened over the past few days. You have heard about some incidents that took place in Colombia over the past few days.

Also, he considers the Mexican border to be a big threat, because it represents a direct route for the consumption of 65 percent of the world's drugs. Many of the points raised by President Bush are well worth paying close attention to in order to see how some U.S. media react, for a simple reason: It is a topic that is becoming more important in the United States. I would say simply that, of the points mentioned by Mr Bush yesterday, there was one that we will have to follow closely. It was an invitation to the children, to the youths, to U.S. parents to exercise more vigilance in this regard and to reject drugs outright.

There is no doubt that the U.S. position has changed somewhat and this is positive. Why? Because, at a given moment, this matter, which was viewed as a bilateral issue—or rather unilateral issue—has now become a multilateral problem. In view of what President George Bush said, the problem affecting many Latin American countries is now viewed multilaterally. It cannot be viewed only in the United States, in Colombia, in Mexico, in Bolivia, or in Peru. It has to be viewed multilaterally as a problem affecting various nations and must be broached in that manner. The message transmitted yesterday by all the U.S. television networks was undoubtedly important.

Cooperation With Program Discussed

PA0709142589 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 7 Sep 89

[Text] We are cooperating with the United States in the struggle against drug trafficking, but Mexico will not allow our sovereignty to be trampled upon because of this problem, according to Octavio Porte Petit, deputy attorney general of the Republic.

[Begin Porte Petit recording] Neither you nor I would ever permit it. [end recording]

Porte Petit spoke on the U.S. antidrug program, saying that Mexico has its own programs, and these have shown positive results over the short term.

[Begin Porte Petit Recording] We are on the right path. We will continue to intensify our efforts. We will have more support, and with community prevention programs, we believe we will be better able to face this problem. [end recording]

He also said that Mexico does not hope to solve the drug problem just through the penal code, but to attack its causes as well.

Reportage on Japanese Prime Minister's Visit

Salinas Seeks Further Investment

OW0609141289 Tokyo KYODO in English 1007 GMT 6 Sep 89

[By Tim Johnson]

[Text] Mexico City, Sept. 5 KYODO—Mexican President Carlos Salinas de Gortari Tuesday called on Japanese Prime Minister Toshiki Kaifu to promote further Japanese investment along the U.S.-Mexican border.

In an informal chat at the presidential palace on the second day of Kaifu's visit here, the Mexican president said debt relief assistance, while indeed welcome, deals only partly with Mexico's problems of development. He said more Japanese investment is needed.

Salinas suggested as a target for Japanese investment Mexico's "maquiladora"—industries situated along the country's northern border.

The manufacturing and assembly plants take advantage of their geographical location and low-cost labor, temporarily import certain unfinished products, add specialized labor and local parts and reexport them.

Kaifu expressed concern that increased Japanese investment in the maquiladora industry might be ill-received by the United States. Some 46 Japanese-owned maquiladora enterprises are operating in northern Mexico already.

But Salinas assured him that when he discussed that point with U.S. President George Bush the last time the two met, Bush said there would be "no problem" and that Japanese investment there would benefit all parties.

One official in Kaifu's delegation, however, said during a stopover in San Francisco last week that some Americans complained about Japan's taking advantage of the maquiladora system.

The Americans said the practice is not meant to exploit third countries, but was set up to expand trade between the U.S. and Mexico.

Kaifu told the Mexican president that Japan, the third largest investor in Mexico, welcomes sweeping reforms on foreign investment in Mexico implemented in May by the Salinas administration. The administration seeks to eliminate excessive regulatory procedures and policies.

He said Japan hopes there will be further relaxation in order to stimulate more investment from Japan.

Saying the prime minister's remarks could not have been better timed, Salinas expressed hope Japanese companies respond favorably when they attend a bilateral economic consultative meeting in Tokyo set for December.

Kaifu, meanwhile, noted an upcoming visit to Japan by Mexican Secretary of Commerce Jaime Serra Puche and emphasized the importance of Puche's appealing directly to prospective Japanese investors.

Earlier this year, Japan sent a fact-finding government and industry mission to Mexico with the intention of evaluating the economic environment for investment.

Just as the mission was delivering its report last May, the new Mexican investment promotion scheme was unveiled.

The market-oriented scheme aims to dramatically increase investment expansion, to stimulate export trade and to create domestic economic growth.

Some 94 of the 112 "basic economic activities" in Mexico are now open to foreign ownership, Mexican officials said. More than half of them allow foreign ownership up to 100 percent, they said.

"Mexico is becoming a strategic country for Japan because of its very special economic location," one official said.

"We are the neighbor to the biggest market in the world, we neighbor Central and South America, and we have both the Atlantic and Pacific Oceans," the official said.

President, Kaifu on Pan-Pacific

OW0609121489 Tokyo KYODO in English 0925 GMT 6 Sep 89

[Text] Mexico City, Sept. 5 KYODO—Mexican President Carlos Salinas de Gortari told Japanese Prime Minister Toshiki Kaifu on Tuesday that Mexico wants to be a part of any pan-Pacific grouping formed as a result of recent consultations among potential member states.

Salinas told his Japanese counterpart that Mexico is watching with "great interest" the progress of an upcoming ministerial-level meeting in Canberra, set for November 5-6, on a "new mechanism" for regional economic cooperation among Asia-Pacific countries.

Kaifu expressed his understanding of Mexico's interest and promised he would convey it to other concerned countries "when the opportunity arises."

Japan, the United States and the six-member Association of Southeast Asian Nations (ASEAN) are among those countries or regional groupings invited by host country Australia, but Mexico is not.

Salinas said he was grateful for the "generous attitude" that Kaifu showed in regard to Mexico's inclusion in any wider consultative group on the issue that might emerge from those talks.

Mexican officials have said that Mexico also wishes for Japan's support in upgrading its observer status for full membership in the non-governmental Pacific Economic Cooperation Conference (PECC).

But Japanese officials said that the subject did not arise in the summit discussions or those between the foreign ministers of the two countries.

Officials have said Japan welcomes Mexico's participation in principle, but that it must consider the views of ASEAN members, who are believed to be anxious about their weight in the regional body being diluted by newcomers.

Salinas has staked Mexico's future development on expanding its traditionally Western Hemisphere-centered ties to encompass relations with the fast growing economies in the Pacific Basin, Japan in particular.

Kaifu Assures Stable Oil Imports

OW0609104589 Tokyo KYODO in English 0909 GMT 6 Sep 89

[By Tim Johnson]

[Text] Mexico City, Sept. 5 KYODO—Japan will renew its oil contract with Mexico for another five years, Japanese Prime Minister Toshiki Kaifu told Mexican President Carlos Salinas de Gortari at their meeting here Tuesday.

Kaifu told the president that despite an oil glut in Japan, Japanese companies are willing to renew a contract for importing 180,000 barrels a day from Mexican ports at the current volume.

The present 10-year contract is due to expire in December.

The renewal agreement is expected to be formally reached in the near future between Mexico's National Oil Company, Pemex, and MEP (Mexican Petroleum), a consortium of Japanese oil importers.

But Japanese officials disappointed the Mexican side by saying that the government has no weight over the MEP's apparent reluctance to make another package arrangement such as the one entered into 10 years ago involving a 500-million-dollar loan to Pemex.

Salinas expressed concern about plans for the dissolution of MEP and its replacement with another consultative group once the 10-year contract expires.

But Kaifu assured him that Mexico "should not worry" about stability in Japan's intake of oil from Mexico.

Mexico, which is not a member of the 13-nation Organization of Petroleum Exporting Countries (OPEC), is the world's eighth largest oil producer, producing some 2.9 million barrels a day.

Japan's imports of some 179,000 barrels a day make up 5.5 percent of its total daily oil imports, far behind Middle Eastern producers, China and Indonesia.

Japan is Mexico's third largest oil market after the United States and Spain.

$1.4 Billion Advance Announced

OW0609073589 Tokyo KYODO in English 0639 GMT 6 Sep 89

[By Tim Johnson]

[Text] Mexico City, Sept. 5 KYODO—Japanese Prime Minister Toshiki Kaifu announced here Tuesday that Japan will advance Mexico 1.4 billion dollars in loans by the end of the year to help the country solve its massive debt problem.

Kaifu, in his second day of meetings with Mexican President Carlos Salinas de Gortari, told him that the decision was made to support Mexico in its position as the first test case under a new multilateral debt relief strategy.

The 1.4 billion dollars in governmental loans to be extended by the Export-Import Bank of Japan are part of a new 2.05 billion dollar Japanese loan package, which is to be spread over three years.

The package was formed as Japan's contribution to a fresh lending program announced by the International Monetary Fund (IMF) and the World Bank in support of the so-called Brady Plan, which was endorsed at the recent seven-nation economic summit meeting in Paris.

Under the debt reduction scheme, formulated by U.S. Treasury Secretary Nicholas Brady, banks have the option of cutting the principal on old loans by 35 percent, reducing the interest rate to 6.25 percent, or providing new loans.

The Mexican Government and its 450 commercial creditors recently reached an accord on the country's 54-billion-dollar medium- and long-term private-sector debt, which accounts for about half of the country's total indebtedness.

Salinas expressed his "deep appreciation" for the loans and told Kaifu that Japan's action "will enable Mexico to pursue its policy of maintaining sustained economic growth without inflation."

Mexican Finance Minister Pedro Aspe thanked the Japanese Government for its recognition that Mexico has been making diligent efforts to reduce the country's over 100-billion-dollar total external debt.

Kaifu told a press conference that he stressed that environmental problems are an issue that should be addressed globally and that he personally attaches extremely high priority to them.

In that connection, he told Salinas that Japan would seriously consider a Mexican Government request for special untied loans toward its 3 billion dollar program to combat atmospheric pollution in the capital.

The smog-filled metropolis is now the world's largest, with some 20.5 million inhabitants, and its air pollution problem, stemming from poorly controlled industrial and auto emissions, is compounded by geographical and atmospheric circumstances.

The two sides had been expected to come closer to agreeing at the summit on a clearer blueprint for cooperation, if not the exact figures of Japan's financial contribution.

But the Mexican side made several last-minute changes in its original 14-project proposal, while its requests from Japan reportedly skyrocketed from 1 billion dollars to twice that amount, according to Japanese officials.

Japan's eventual loan contribution will come out of a 3-year, 300 billion yen environmental aid program announced by then Prime Minister Sosuke Uno at the Paris economic summit in July.

Kaifu told Salinas that Japan will try to resolve the matter by dispatching a second technical team to Mexico City in October to reevaluate the proposed projects, which now stand at 15, and to consider how much Japanese financing is required. The other fact-finding mission was sent last June.

"This is project aid, and project aid means that in order to determine the amount of aid to be extended, we have to first have a cost estimate and at least a reasonably concrete proposal," one Japanese official said.

Salinas acknowledged there has been some confusion about which government agency was in charge of what as concerns the issue of environmental cooperation with Japan, but told Kaifu that the Finance Ministry would in future serve as the window.

Kaifu told reporters that he and the Mexican president have entered into an "amigo" relationship, using the Spanish word for friend, and said that he recognizes Mexico even more now as a "very important country."

He said that while relations with the United States and Asia are the two strongest pillars of Japan's foreign policy, Japan's relations with Mexico and the Central and South American region as a whole will become more important in the future.

Kaifu agreed with Salinas that the two countries future relations should be expanded beyond bilateral economic ties to encompass political dialogue and exchanges in the fields of science and culture.

He proposed that a high-level consultative mechanism be established to discuss a wide range of international issues such as those concerning Central America, including the current situation in Panama.

Salinas welcomed the idea and said the matter should be addressed in greater detail when he dispatches Foreign Minister Fernando Solana Morales to Tokyo next December.

Kaifu told reporters that he and Salinas held similar views on the need for the current government in Panama to hold free and fair elections as soon as possible toward the implementation of a democratic government there.

Kaifu explained to the Mexican leader that Japan has been active in providing relief assistance to the estimated 2 million refugees and displaced persons in Central America.

He said that when peace is restored to the strife-torn region, Japan will offer additional reconstruction assistance.

Salinas expressed a wish to visit Japan, which was "wholeheartedly" welcomed by Kaifu. The two leaders agreed to discuss the timing of the visit through diplomatic channels. Japanese officials later said the visit would likely take place sometime next year.

Visit Ends, Kaifu Leaves for Canada

PA0709135189 Mexico City XHTV Television in Spanish 0200 GMT 7 Sep 89

[Report by Lourdes Esquivel and Ana Patricia Maldonado]

[Text] Japanese Prime Minister Toshiki Kaifu visited the Mexican-Japanese School before concluding his visit to Mexico. Prime Minister Kaifu was welcomed to the education center by hundreds of students, who cheered him and offered him a traditional Mexican show. The Japanese prime minister stated his hope that the Mexican-Japanese School will become a center of culture and friendship at a time when international integration and exchange is indispensable. Mexico and Japan must strengthen their links of friendship in favor of world development and prosperity, he said. Prime Minister Kaifu planted a tree upon the conclusion of his tour through the school. Both his wife and his delegation accompanied him at the event.

Following his visit to the Mexican-Japanese School, the Japanese prime minister went to Mexico City's international airport. Upon arrival at the presidential hangar, he was met by Mexican Foreign Minister Fernando Solana Morales and Mexico's ambassador to Japan, Mario Moya Palencia. Following the protocol ceremony, the Japanese prime minister and his delegation boarded the DC-10 jet that would take them to Canada.

Mexican Ambassador Mario Moya Palencia said that the Japanese prime minister's visit to Mexico raised Mexico's relations with Japan to the highest level. He added that positive fruit will grow from the politial, economic, and cultural exchange between the two countries. He added that several certificates of credit will be signed in the near future.

National Patriotic Front Coalition Formed

PA0509231589 Mexico City Red Nacional 13 Imevision Television in Spanish 1300 GMT 5 Sep 89

[Text] The National Patriotic Front [Frente Patriotico Nacional] was formed yesterday for the purposes of coming to power peacefully in 1984 through elections, and developing government policies that favor the poor. The National Patriotic Front is made up of 47 political organizations.

The main parties that have taken part are the Party of the Democratic Revolution, Popular Socialist Front, Authentic Party of the Mexican Revolution, Revolutionary Workers Party, Social Democrat Party, Mexican Socialist Party, Mexican Labor Party, and an independent parliamentary group. The National Patriotic Front defined six basic principles and agreed to hold rallies on 14 September at the Zocalo and in the interior of the country.

* INI Journal Reports on Huasteca Violence

32480192 Mexico City LA JORNADA in Spanish 26, 27 Jun 89

[Report by Rosa Rojas]

[26 Jun pp 56, 41]

[Text] In recent years the northern area of Veracruz has been the scene of "bloody conflicts, killings, dispossessions, house-burnings, and unjust imprisonments, all because of the land tenure situation." The names of the murderers, the dispossessed and the dispossessors, the properties seized and the people who seized them, are known to the Secretary of Planning and Budget (SPP), the Secretariat of Agrarian Reform (SRA), the National Indian Institute (INI), the governments of Veracruz and Hidalgo, and the state attorneys' offices. A mountain of paperwork and indifference has been the response to the mighty "river of blood that bathes the fertile grasslands of the Huasteca [region including parts of the states of San Luis Potosi, Hidalgo, Veracruz, and Tamaulipas adjacent to the coastal strip running roughly from Tampico to Veracruz]."

The quotes in the previous paragraph are from the report that Concepcion Hernandez, Rosario Huerta, and Luisa Pare published on land tenure and human rights in this year's March-April issue of the INI magazine. They cite SPP data according to which in the highlands region there are some 200,000 landless peasants, while some 20,000 persons own 1.2 million hectares, and 65,000 peasants own 710,000 hectares of ejido [Indian community-held farmlands] and communal land grants and restitutions.

The researchers give the names of the cacique families in the region, which includes the municipalities of Huayacocotla, Tlachichilco, Zacualpan, Zontecomatlan, Ilamatlan, Texcatepec, Benito Juarez, Ixhuatlan de Madero, and part of Chicontepec and is among the most disadvantaged in the state. Some of the names have already appeared in LA JORNADA in connection with reports on crimes committed by paramilitary gangs over the past 4 years and exposed by the Emiliano Zapata Eastern Democratic Front of Mexico (FDOMEZ), the Regional Union of Ejidos and Communities of the Huasteca, and the National Coordinating Board of Indigenous Peoples (CNPI):

"Everyone in the region is familiar with them: the family of Hernandez Vergara in Zacualpan, the Romos in Huayacocotla, the Mendozas in Texcatepec, Humberto Ramirez Aviles, Cliserio Tapia, Elpidio Excelente, Marcos Tapia, and Justo and Roberto Cabrera Sahagun in Chicontepec."

The SPP diagnosis indicates that the caciques and cattlemen "even though they are the beneficial users of lands obtained through illegal purchases since the 1930's, have with the complicity of the SRA obtained certificates against encumbrance and have thus protected themselves against the land 'invasions' that threaten them. This entire ongoing conflict is made worse because the authorities in charge of investigation, administration, and enforcing criminal and agrarian law at times do nothing and other times act with bias."

"In Huayacocotla and Chicontepec, for example, the agrarian affairs agents and chiefs of the agrarian affairs offices have often been accused of wrongdoing and later removed. The peasant organizations CCI [Independent Peasants Federation], CNC [National Peasant Confederation], and CAM [Mexican Agrarian Council] have done a good job of calming the discontent, thanks to the minor bureaucratic posts that they get. These peasant organizations, which actually back the government, have supported cacique power and facilitated the concentration of lands," the SPP adds.

It adds that "the concentration of lands worsened with the growth of livestock raising in recent years" and that agrarian policy "at most has merely recognized and awarded title to some communal assets, but has not granted further concessions or prevented the illegal concentration of lands." The same secretariat indicates that the Huayacocotla agrarian affairs office "is engaged in making maps for the landowners and egging them on against the peasants."

Just this past 17 June the Miguel Agustin Pro Human Rights Center submitted a list of problems in the highlands to the state attorneys' offices of Veracruz and Hidalgo; it notes that in Ilamatlan and Texcatepec "peasants who in fact are living in communities suddenly find that by virtue of documented testimony from witnesses some alleged owners have registered the best lands in their name, leaving the peasants without their sole asset, the land for their corn fields."

"Even though the towns have existed historically as communities, the SRA systematically rules against them in Ilamatlan, thus refusing to recognize and grant title to their communal assets. In fact, only four agrarian communities are legally recognized, and eight have been refused land. In contrast, caciques who are from the state of Hidalgo have appropriated the Indians' lands, as in San Gregorio, where seven peasants were murdered in 1987 for fighting with Adolfo Centeno's die-hard supporters over the town's lands. The lack of land security has caused the conflicts that have led to daily bloodshed."

Hernandez, Huerta, and Pare note that in Ilamatlan 40,000 hectares in San Pablo Mitecatlan and 999 hectares in Atempa are in the process of being granted title as communal lands. "A single SRA agrarian affairs agent covers 5 municipalities in this vast region, where communications are very poor and where, amid the violence, more than 200 agrarian files await processing."

As if that were not enough, they add, owing to the slowness of the agrarian administration, the Indian communities have disputes over plots of land that are insignificant in comparison with tracts that have been taken away. In the municipality of Ilamatlan the community of Apachitla is fighting over 50 hectares with the community of Chocotla and is having demarcation problems with Tonchitlan in the municipality of Tianguistengo, Hidalgo. Humberto Marin has invaded 30 hectares of the La Jabonera community in Tlachilco, and in spite of the charges against his family, which is well known for rustling, he has just gotten a government permit for a sawmill for fancy woods.

Luis Mendoza Rivera, the cacique in Amaxac, Texcatepec municipality, who has been in Pacho Viejo jail since late 1986 on charges of homicide (nine victims confirmed), property damage, criminal conspiracy, kidnaping, and arson, has taken over "more than 2,000 of the 3,000 hectares in the ejido through illegal purchases approved by the local authorities and the local and state CNC leaders."

The cacique's relatives continue to use the lands, and his die-hard backers continue to control the ejido council. The agrarian affairs agent of the Tuxpan agrarian branch office, German Rangel, who was commissioned in April 1988 to perform the basic census work among the ejido members and to investigate land concentration, "stated from the beginning that he was not going to confront the Mendozas because he knew that they were dangerous and did not want trouble or risk of reprisals," indicates a 15 May document from the aforementioned Pro Center, the Peasant Defense Committee of Texcatepec, and the Committee of Solidarity With Disadvantaged Ethnic Groups.

[27 Jun p 10]

[Text] More than 100,000 Otomi, Nahua, and Tepechua Indians live in Ilamatlan and Texcatepec, Tlachichilco and Zontecomatlan, Huayacocotla and Zacualpan, and in the face of the violence by cacique cattlemen who are driving them from their lands and forcing them to till steep mountainsides, they have organized. Anyone who supports them is branded a "communist," a "subversive," and more recently a "Cardenist."

Organized peasant movements have arisen in the region because there is an urgent need to resolve their most pressing problems. For example, the Texcatepec Committees for Ethnic, Territorial and Life Defense, which were created to combat the cacique holdings of the Amaxac cacique Luis Mendoza, are now demanding services too. The Zapata Peasant Union of the Sierra, which consists of Otomi Indians, arose in Texcatepec "out of the enormous and urgent need for services and to make the elections of the municipal authorities more participatory."

The Nahua-Tepehua-Otomi Organization, which operates in Tlachichilco and Zontecomatlan, has arisen because the few assets that the Indians have, such as cattle and coffee, are being violently wrested from them by middlemen. "They seek justice to combat rustling and better marketing conditions."

The Indian Coordinating Center (CCI) of the National Indian Institute [INI] in Huayacocotla "is in touch with the organizations and helps them resolve their problems in management, organization, and training, as well as in budgetary matters," reported Francisco Pancardo, the director of the CCI, which has seven shelters in the zone.

(To judge by the condition of the Santa Cruz shelter, where some of us in the caravan in support of the Nahua Indians from Ilamatlan had to put up one night after the van we were riding in got stuck in the highlands, the CCI urgently needs a larger budget for outfitting it. The shelter does not have bathrooms, and blankets are in short supply; during the most recent snowfall the townsfolk made off with the ones that the women caretakers used to cover the paneless windows and keep the wind out. When it is very cold, the few children who sleep there have to cover themselves with another foam-rubber mattress that has been eaten away by the insects and the years. In contrast, they have 15 extra flock mattresses, which are useless, serving merely as breeding grounds for vermin. But we were all thankful for their profuse hospitality and a dry place to spend the night.)

Pancardo explained that the CCI, which has 22 workers, including an agronomist, a zootechnician, a physician, a dentist and their respective assistants, plus an economist, has a regular budget of 250 million pesos this year, compared to 80 million last year, as well as some 300 million from the National Solidarity Program (which did not exist in 1988), and a state government allocation of 700 million is "in the process of being approved" (it amounted to 150 million in 1988).

The budget for feeding children at the shelters was doubled and now stands at 600 pesos a day per child. "This improves the diet that they get at home, but depending on the region some 1,500 pesos a day are needed to meet the calorie and protein requirements that international health organizations recommend," Pancardo acknowledged in response to a specific question.

Coffee is grown in the region. The middlemen were paying 2,500 pesos per kilo of beans when the official price was 3,360. And they buy it on credit or pay with merchandise at the modern company store-like outlets. The Nahua-Tepehua-Otomi Organization decided to do its own marketing this year, with the help of the Papantla ARIC [expansion unknown]. "The CCI is helping them build a coffee plant in Tlachichilco. It has invested 150 million, and the growers have contributed an equal amount, besides buying the land and the dryer and doing the work," Pancardo reported.

The region lacks medical care and a regional hospital (the only accessible one is in Metepec, Hidalgo). The wages there are half the minimum, and the cost of living is high. For example, transportation from Texcatepec to Huayacocotla costs 8,000 pesos; thus, it costs an Otomi more to take a stake truck to Huayacocotla than a bus to Mexico City, we were told.

Moreover, "the private companies, like the sawmills, exploit the workers to the maximum and defraud the treasury because they register as noncommercial corporations, not as businesses."

Although the Huayacocotla and Zacualpan peasants are struggling to make use of their natural resources by organizing in the Kaolin Producers Union and the Adalberto Tejada Production Unit, their interests "are being harmed because private interest groups are also organizing to plunder the kaolin mines through the so-called Independent Kaolin Alliance, which is led by Arturo Acosta, against whom charges have been leveled several times without his having been investigated to date."

Ejido [Indian community-held farmlands] members are starting to fight among themselves over kaolin. This has already been reported, but "neither the Agrarian Reform Secretariat nor the Federal Public Prosecutor's Office has taken heed," says a document submitted to the Veracruz state attorney's office on 17 June by one of the human rights groups that have gotten involved in the area.

The document adds that as for lumber, the Adalberto Tejada peasant forestry organization, which brings together 12 ejidos in 2 municipalities, "has also been attacked by organizations like the CNC [National Peasant Confederation] and the CCI, which sow discord and division and want the lumber to be sold at lower prices to profiteers. Thus, the rich area of these highlands cannot live in peace."

The document also demands that judicial agents carry out the arrest orders issued for "fearsome gunmen from

Ilamatlan, among others Catarino Alonso, Raul Hernandez (alias 'El Tlalixco'), and Patricio Alonso, who are known to be linked to the cacique Adolfo Centeno from Tlahuelompa, in the municipality of Zacualtipan, Hidalgo. These gunmen are known to be responsible for the April 1987 massacre in San Gregorio, for which 5 Nahua Indians were arrested and sentenced to 18 years in prison by the courts." The Mexico City-based Committee for Solidarity With Disadvantaged Ethnic Groups and the Huayacocotla Human Rights Committee have demanded their release through any legal channel, including pardon.

El Salvador

FMLN Commander Views Dialogue With Government

PA0609235189 San Salvador Radio Cadena Sonora in Spanish 2100 GMT 5 Sep 89

[Telephone interview with Farabundo Marti National Liberation Front, FMLN, Commander Ana Guadalupe Martinez by unidentified reporter; from Mexico on 5 September—recorded]

[Text] [Martinez] Thinking it is necessary to pave the way for a dialogue, the FMLN wants to inform the Salvadoran people of several things. First of all, we have agreed to accept a government-proposed commission, although we do not yet know the names of its members. We think it is necessary to begin the dialogue regardless of who the commission members are. We are willing to talk with the commission, no matter who its members are. We think it is necessary to start the dialogue, even without the presence of the Army. But we think this absence will be negative for the government. They will regret their absence in the talks because, if we are going to discuss the end of the conflict, the presence of a military representative is very important. Second, we still feel Msgr Arturo Rivera y Damas should be the moderator in the talks and that this dialogue should take place outside El Salvador. We have proposed Mexico as the site for the talks, which should be held between 12 and 14 September.

We also want to let the Salvadoran people know that the FMLN representatives will be high level with the authority to make proposals and decisions. This way we will demonstrate that we are serious about the dialogue and do not consider it merely as an opportunity for propaganda. The fact that the FMLN representatives are of a high level shows our willingness to help achieve progress in the topics that will be discussed. In addition, we have been considering a number of measures to create a proper climate for negotiating so the Salvadoran people can have faith and hope that it is possible to solve the conflict because of the flexibility with which the sides will approach the negotiations and the dialogue. We will shortly make known these measures. We await a reaction from President Alfredo Cristiani on the decisions we have made to facilitate a first meeting between the government and the FMLN.

[Reporter] Will the FMLN accept the government proposals on a dialogue?

[Martinez] We could not accept anything like a proposal for the FMLN to surrender because this would not be a proposal as part of the negotiation, but an acceptance by the FMLN that the government is right in everything.

The current problem is that neither we nor the Salvadoran people believe in Cristiani. Nor do we believe that this is the people's government that can consolidate democracy and peace. We have prepared our own proposals, which we will present in due time. Of course, they will also bring theirs, which we will consider and discuss. Nevertheless, the fact that we facilitate the procedures to agree on a meeting to talk cannot change our basic stance. The government has always stressed that the FMLN must lay down its arms and surrender. Negotiating is, precisely, an effort to finding points of convergence and to reach an agreement on them.

[Reporter] Some sectors have pointed out that while the FMLN proposes dialogue, guerrillas have attacked the Army on a large-scale basis in the past few days. As an FMLN commander, what explanation would you offer to the Salvadoran people, specifically to the sectors that have reported these rebel attacks?

[Martinez] We should take into consideration that the war is still on. The dialogue we propose is precisely to reach agreements and end the conflict. The war did not begin due to the FMLN's fault, but as a means whereby the Salvadoran people could defend themselves from the (?abuses) perpetrated by the wealthy who have been governing the country for many years. To counter the assertions that we make war while we talk peace, we must say the government speaks of peace while it continues to strike the people, not only with physical violence such as repression, torture, and arrests, but by affecting the people's immediate interests by raising fares and food prices. If we were to establish who is willing to make peace, we could make a long list of the many ways in which the government beats people everyday. So we think this assertion that the FMLN makes war while it speaks about peace is just another way to continue the war instead of seeking a solution. We are hereby calling on all those who criticize the FMLN to try to form a commission so a dialogue can be held as soon as possible to discuss all of these subjects.

[Reporter] Is the FMLN willing to accept the truce from 14 to 15 September that the Permanent National (?Debate) Committee has requested both from the Army and the FMLN?

[Martinez] We have always been willing to facilitate people's activities aimed at their well-being. This is particularly true in the people's demand that the two sides meet and try to achieve a solution to the conflict. We are willing to cooperate in this and hope the Army will do likewise so that the Salvadoran people can celebrate the independence anniversary on 15 September without fear of armed clashes. We also appeal to the Army High Command to take a stance consistent with this desire.

Supreme Court Declines

PA0609230589 Panama City ACAN in Spanish 1800 GMT 6 Sep 89

[Text] San Salvador, 6 Sep (ACAN-EFE)—It was officially announced today that the Salvadoran Supreme Court will not designate a representative to the government commission that will talk with the guerrillas to seek a peaceful solution to the conflict.

Supreme Court spokesman Mario Gonzalez assured ACAN-EFE that there will be no Supreme Court representative on the dialogue commission proposed by President Alfredo Cristiani, who is trying to establish talks with the Farabundo Marti National Liberation Front shortly.

"The court cannot be a judge of its own case in the event the negotiations touch on some point of the political constitution," Gonzalez said, explaining the court's refusal to name a representative from the judicial branch to the dialogue commission.

Cristiani sought the Supreme Court and Legislative Assembly's support by asking them to join the government dialogue commission. Congress approves of the dialogue the president is seeking, but it will not designate a representative.

"The Supreme Court is pleased with President Cristiani's determination to achieve peace in the country," Gonzalez said, but he emphasized that the court will not name a delegate to the dialogue commission.

Political sources say that on 7 September, Cristiani will swear in the government commission, which will be formed by several state ministers and noted politicians, who may have ties with the Supreme Court and the Legislative Assembly.

The guerrillas suggested opening the talks with the government between 10 and 14 September in Mexico, with Salvadoran Archbishop Arturo Rivera y Damas' mediation.

The government and guerrillas met in 1984 and 1987 to seek a political solution of the conflict in El Salvador which, during the past decade, has taken the lives of over 70,000 people.

The dialogue failed when the conflicting sides accused one another of using the talks for propaganda purposes.

Guatemala

Acting President Denies State of Emergency Plans

PA0509231189 Guatemala City Radio Television Guatemala in Spanish 0400 GMT 5 Sep 89

[Text] Violence in Guatemala seems to have decreased in the past few hours. Meanwhile, the whereabouts of nine kidnapped university students remain unknown. Some political sectors maintain that it is urgent to impose a state of emergency. Authorities believe the reduction of violent actions noticed between 2 and 5 September is the result of the intensification of the operations conducted by the National Protection System in various sectors of Guatemala City and surrounding areas. The government security forces extended the operations to Ciudad San Cristobal neighborhood in which the largest number of victims of political violence have been found. Police agents conducted searches at the road to enter San Cristobal, but did not enter the site known as El Campanero, which has recently turned into a site to dump dead bodies.

Acting President Roberto Carpio Nicolle, based on the alleged success of the recent police operations, believes it is unnecessary, for the time being, to impose a state of emergency as proposed by various political sectors.

[Begin Carpio Nicolle recording in progress] ...I think so. Operations will be implemented in the city which, I am aware, will bother some people, to whom I wish to present my apologies. However, we are obtaining good results only by providing better protection to citizens. I expect we will attain some results in the next few days as the result of the operations we are conducting—like the intensification of investigations—and because every step we take is more efficient. I believe we will not need to impose a state of emergency, but I do not rule it out.

I believe that with the proper instruments at hand and with specialized personnel, like we have right now, we will attain results and achieve more progress. [end recording]

Meanwhile, Deputy Government Minister General Carlos Morales Villatoro said he supports Roberto Carpio Nicolle's statement that violence tends to decrease given the police operations.

[Begin Morales recording] Yes, the [words indistinct] operations had not been carried out given the strikes which destabilized all the sectors of the country. The capability of our forces has increased and we have stepped up the operations—and I believe we have certainly achieved results because the people are calmer. [end recording]

A delegation of U.S. investigators has left for Guatemala to analyze the human rights situation, particularly the disappearance of seven student leaders from the San Carlos National Autonomous University. The delegation will meet with the Association of University Students, the Mutual Support Group, and government officials. It will later prepare a report that will be presented to the U.S. Congress and various human rights groups in Washington.

The group of investigators was organized by the U.S. Foreign Relations Committee, and is comprised of (Richard Briggs) of Congressman (Gus Hayer's) office; (Miles Leigh) of Congressman (Wade's) office—both members of the U.S. House of Representatives; and Lawyer Ann Gallagan, member of a human rights organization's group of lawyers. The increasing wave of violence in Guatemala has led the U.S. House of Representatives and Congress to analyze the possibility of not granting economic and military aid this year.

Three Reported Killed, One Injured in Attacks

PA0609173589 Paris AFP in Spanish 1613 GMT 6 Sep 89

[Text] Guatemala City, 6 Sep (AFP)—Guatemalan police reported today that an explosive device blew up on 5 September on the third floor of the main building of the Guatemalan Telecommunications Enterprise (GUATEL). One woman was slightly injured and the building was heavily damaged.

The device, apparently a grenade, was thrown from approximately 100 meters by unidentified persons carrying "sophisticated equipment," the police noted.

It was also reported that a young man, identified as Rene Velazquez, 18, was shot to death that same day by unidentified persons who took him by surprise as he was waiting for the bus. It was also reported that two guards of a residential neighborhood in the city's outskirts were shot to death by several heavily armed men with rifles.

The police said they do not know the motives or perpetrators of those crimes.

Since 19 July, 26 terrorist devices have exploded in Guatemala. On that day, unidentified persons blew up Channel 7's transmission tower. This incident marked the start of a wave of violent attacks. Because of this situation, Government Minister Roberto Valle mentioned to Congress the possibility that a state of emergency may be decreed. However, he later retracted his remarks saying "so far, this has not happened."

Honduras

Electoral Tribunal: Retired Military Can Vote

PA0509164689 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 23 Aug 89

[Text] On 22 August, Honduras National Electoral Tribunal announced that retired military members and civilians working in administrative positions, as well as Army auxiliary personnel [personal auxiliar], will be able to vote in the 26 November general elections. This decision was against the wishes of the Armed Forces, which, according to the Constitution, should be an apolitical, obedient, and nondeliberative body whose members of any rank, as well as administrative and auxiliary personnel, usually civilian specialists in certain areas, are also banned from voting. Retired military members can now vote after presenting documents that confirm their retired status.

Nicaragua

Ortega Delivers Nonaligned Conference Speech

PA0609170289 Managua Domestic Service in Spanish 1200 GMT 6 Sep 89

[Speech by President Daniel Ortega before Ninth Conference of the Heads of State of the Nonaligned Movement at the Sava Center in Belgrade, Yugoslavia, on 6 September—live or recorded]

[Text] I wish to convey the greetings of the people of Sandino to the people of Tito who are hosting this Ninth Summit of Nonaligned Countries.

In his report, Comrade Robert Mugabe underscored Zimbabwe's strong efforts. As president of our movement, he was a good leader who strengthened the movement's unity in the consistent defense of the principles that led to its establishment.

Today, Yugoslavia assumes the movement's presidency after a long and rich experience. As a founder country, it will identify with the aspirations of our peoples.

At this forum, we have listened to the messages of political leaders who coincidentally talked about a world afflicted by injustices that are oppressing millions of human beings who are hopeful that the principles of our movement will be defended to open the doors to genuine peace which our peoples are demanding.

All of humanity has praised agreements reached by the United States and the USSR. There are high expectations because of the hunger for justice and liberty that our people have longed for for many centuries. They are responsible for what is happening and will happen in the future and so are we.

The impoverished, looted, and exploited nations must take action and unite. Imperialism has not disappeared; racism has not disappeared; neocolonialism has not disappeared; Zionism has not disappeared. The South African people, Palestine people—who are involved in the heroic resistance of the intifadah—Afghan people, Lebanese people; peoples of the Frontline, Egyptian people, Cambodian people, Puerto Rican people, Panamanian people, Libyan people, Korean people, Cuban people, and Argentine people and their Malvinas Islands, among many others, are victims of this policy that denies the peoples' right to full sovereignty and independence.

With this brutal policy, imperialists are trying to take advantage of detente with the USSR to multiply their political, economic, and military pressure, and are creating even more tension in our nations. Global detente is not consistent with the forceful policy that imperialists are displaying in various world regions; it is not consistent with the economic and social tension that is producing popular explosions and bringing about brutal repression, but also just and legitimate popular violence.

In 1980, the income of the average citizens of developed countries, which hold 16 percent of the world population, was 15 times greater than those of the citizens from the South. In 1988, it was 23 times greater. The Third World's per capita income reached $779. This was compounded by a per capita debt of $285 and the fact that average annual inflation rate increased from 40 percent in 1982 to 150 percent in 1988.

In the 70s and 80s, 32 large-scale conflicts, most of which were provoked by imperialist's meddlesome policy, left a tragic toll of 4.6 million of Third World casualties. Nicaragua has suffered this same policy in the past 10 years. The U.S. Government has gone as far as hiring drug traffickers to channel weapons to the counterrevolutionaries.

In this way the U.S. Government, which claims it is worried about the health and morals of the American people and youth, has become an accomplice of this policy that poisons U.S. youth and which is expressed through the drug trafficking.

The economic, political, and military pressures have been constant, the same as the international economic and financial isolation against Nicaragua. In this way the United States seeks to deny the Nicaraguan people the right to live. In 1985 Nicaragua took the charge against the U.S. Government to the International Court of Justice. On 26 June 1987, the court issued a historic ruling condemning the imperialist power and ordering it to immediately desist from its military and paramilitary activities against Nicaragua. The United States has not obeyed the ruling.

They have opposed equally the negotiating process that the Central American Governments have promoted in the area. They have tried to kill the people's struggle in Latin America, particularly in El Salvador, where there is a conflict produced by economic imbalances, the lack of freedom, democracy, and peace.

We believe it is positive that the Salvadoran Government has accepted today the start of a negotiating process that has been proposed for 15 September. The FMLN [Farabundo Marti National Liberation Front] has insisted on beginning the negotiation process. They have proposed that the meeting be held between 10 and 14 September. The Salvadoran rebels have accepted the integration of the government counterpart, although it does not comtemplate the participation of the Salvadoran Army in this first stage. The Salvadoran revolutionaries have also agreed that the first meeting be held abroad. They have propsed that it be held in Mexico. They insist that Salvadoran Bishop Msgr Rivera y Damas be the moderator, and that the OAS and UN secretaries general be the witnesses.

Finally, the Salvadoran revolutionaries have invited a UN organization, created to verify the fulfillment of the Central American agreements to visit the camps in El Salvador and meet the revolutionary leaders.

The Guatemalan revolutionaries, equally demand a negotiated solution to the conflict.

The presence of U.S. troops in Honduras and also of mercenary contra forces has destabilized that country.

The cause of peace in Central America also demands strict compliance with the Panamanian people's sovereign right to solve their internal problems or select their own political, social, and economic system free from foreign intervention, meddling, or illegal pressures. We add our voice to those inside and outside this movement who condemn the arbitrary and illegal way in which the canal agreements have been violated disrespecting Panama's sovereignty under the pretext of promoting democracy while, on the other hand, conceiling the most flagrant violations of political, social, economic, and cultural rights perpetrated by governments that are aligned or subordinate to the imperialist power.

It is unacceptable from any viewpoint that members of our movement consciously or unconsciously should act as judges or referees in the internal situation of other member countries, disrespecting the law and the movement's principles, and forgetting that we all have problems, complex situations in our own countries, and that we reject foreign meddling in the internal affairs of our respective countries.

In Latin America, dictatorships continue to survive in Chile and Haiti, and Paraguay is a masquerade of democracy. Human rights are brutally violated in most Latin American countries. None of these facts, which hurt the essence of life itself seem to worry the United States. Those situations have not unleashed a campaign from the United States or the Latin American governments who claim to be concerned about democracy and respect for human rights in Latin America.

The key point of our debates should lead us to define how to take our struggle forward in the 90's so that by the year 2000 we can enter a new century and millenium with real possibilities of liberation and peace for our peoples.

It is necessary to increase the levels of coordination and cooperation in our internal negotiating efforts. It is necessary to effectively abolish war from the face of the planet and to create a nonviolent world. It is necessary that Third World countries strengthen their international relations so that countries with hegemonic tendencies will not adopt initiatives that will weaken them or allow them to impose their will in an arbitrary, unilateral, or violent way. It is necessary to strengthen international law in international organizations, reinforcing the means for the peaceful solution of controversies and international situations that threaten the peace and security of nations.

This calls for the strictest respect of international law which we must strengthen and improve by resorting as

often as necessary to international organizations especially the International Court of Justice [ICJ] to resolve controversies.

We must promote the signing of international treaties on: the disarmament of nuclear and conventional weapons to prevent forseeable conflicts and wars in the 21st century; the new international economic order; the obligatory nature of international law and ICJ rulings and treaties obliging the Security Council to punish countries that fail to comply with such rulings; and treaties creating a new universal instrument to promote peaceful solutions of controversies and a world human rights tribunal.

We must promote accords on the exploitation of natural resources and environmental protection; on ending usage and trafficking of narcotics; on space utilization, and on banning weapons' usage in space, and on promoting space exploitation to benefit all of humanity; on a law of the sea and the exploitation of maritime surfaces to benefit all of humanity; on the internationalization and exploitation of the Antarctic and North Pole and its ice flows to benefit all of humanity; and on the democratization of international organizations leading to the abolishment of veto power at the United Nations and multilateral development and financial agencies.

I wish to reaffirm that Nicaragua applauds and will continue to vigorously support a resolution issued during a ministerial meeting that was recently held at The Hague that asks the UN General Assembly to call the next decade the decade of peace and international law during its 44th ordinary session. We commit ourselves to take on with great dedication the appointment of Nicaragua to our movement's ministerial committee, which was created at The Hague meeting to draft our work plan to include various activities for the decade of world peace and international law.

Given this backdrop, it is urgent that we approve here in Belgrade the draft resolution of the decade on international law that we will submit for the consideration to the plenum of the UN General Assembly that will start in a few days.

I urge those groups that have not yet met to do so as soon as possible to advance pending work and decision making. Among them are the issues of what country will host our upcoming summit and the upcoming ministerial meeting and the discussion of a draft resolution prepared by Nicaragua asking the UN General Assembly to declare the next decade the decade of peace and international law.

We feel that to achieve our goals in the decade of international law it becomes important to get the entire international community involved from the start. Hence the urgency to approve the draft resolution here in Belgrade. Once the draft resolution is approved, we must then present it to all the countries that attended the first world conference on peace, 90 years ago at The Hague, and to invite them to cosponsor that draft with all of us. Nicaragua has already begun making contacts in this direction, and the idea of cosponsorship has been well received.

To recapitulate, all of us are convinced that achieving peace on earth is mankind's supreme objective. We are equally convinced that the peace we long for compels us to take the necessary measures to effectively guarantee, without exception, everyone's right to life and development, as well as their inalienable right to self-determination. To the extent that we pledge to do everything within our power to achieve respect for everyone's right to life development and self-determination, we will be ensuring an important role for our movement in the struggle for peace.

The Ninth Summit constitutes a challenge to continue drawing together the men and women who make up this great family of the nonaligned. We are brothers with virtues and flaws. However, we will never be an expendable consumer good, although that has been what colonialism, neocolonialism, and imperialism intended. Each country, each nation, and each people have their own profile and values. We have common problems. We are united by backwardness and the systematic aggression against our peoples. We are air and water. We are joy and grief. However, most of all, we are dignified and firm and rebel against injustice. We rely on the force of our spirit, which has become toil and struggle. We are unequal in terms of our development, yet equal in terms of our objectives, dreams, and aspirations. We learned to walk together along the same path, despite our differences. Joining us in this joyful march are more and more men and women from developed nations who have found simple and spontaneous love in our peoples, which capitalism, the arms race, and automation extinguished wherever the so-called law of civilization—with its policy of genocide that diminishes the value of man—prevailed. It is we, impoverished peoples, developing peoples, Third World peoples, who will save the world and even those who have lost their souls, happiness, and truth. A world free of injustice and filled with equality, love, and peace is our objective. That is our endeavor. Thank you.

Denounces U.S. at Belgrade

PA0609160489 Madrid EFE in Spanish 1408 GMT 6 Sep 89

[Text] Belgrade, 6 Sep (EFE)—Nicaraguan President Daniel Ortega Saavedra today joined the more radical elements within the Nonaligned Movement in leveling strong charges against the United States by accusing that country of being an accomplice to drug trafficking.

At the beginning of his speech before the heads of state gathered at the Belgrade "summit," Ortega openly distanced himself from the views of the movement's more moderate sectors promoted by Yugoslavia, saying that "imperialism, racism, neocolonialism, and Zionism have not disappeared."

The Sandinist leader stressed that the process of detente between the United States and the Soviet Union does not fit in with the policy of force "that imperialism is imposing on other countries," and he cited the Panamanian, Nicaraguan, and Salvadoran cases as examples.

Regarding Panama, which has turned into the most controversial issue at the "summit" for the Latin American group, Ortega joined those who "denounce U.S. military pressures and noncompliance with the canal treaties."

He added, in an implicit reference to some Latin American countries, that it "is unacceptable for members of this movement to set themselves up as judges of other member countries, because all of us have complex situations in our countries and we do not welcome meddling."

The Sandinist leader stressed that in Latin America "dictatorships like Chile's and Haiti's, disguised as democracies like the one in Paraguay, and brutal human rights violations in the majority of the nations still exist."

"All of this," he said, "does not prompt campaigns against them from the United States and Latin American countries, which claim to be concerned about democracy and respect for human rights."

The resolution on Panama, which the Latin American group must adopt for inclusion in the conference's final documents, has been the subject of long discussions, with the Venezuelan and Cuban stances especially at odds.

During a news conference Venezuelan President Carlos Andres Perez today said that neither his country nor Latin America want to impose solutions on Panama but "seek respect for the Panamanian Constitution and OAS principles, which give Panama the right to elect its own government."

Perez said he has expressed to Panamanian Vice President Carlos Ozores his "distress" over the Panamanian situation because "there is currently no legality or legitimacy in Panama."

Ortega, who together with Raul Castro has been the Latin American leader most critical of U.S. policy, reiterated that the U.S. Administration has not only ignored the ruling issued by the International Court of Justice urging it to cease its actions against Nicaragua, but in addition has opposed the ongoing negotiation process among Central American governments.

"The United States has subjected us to continuous economic, political, and military pressures, has promoted our financial isolation, and has attempted to deny the Nicaraguan people the right to live," Ortega said.

He stressed that the U.S. Government had even used drug traffickers to send weapons to the contras, which according to the Nicaraguan president, "turns it into an accomplice of drug traffickers."

Nevertheless, Daniel Ortega expressed some hopes regarding the evolution of the Salvadoran situation. He characterized as "positive" the fact that the Salvadoran Government has agreed to begin a negotiation process with the Farabundo Marti National Liberation Front [FMLN] on 15 September.

According to Ortega, the rebels have accepted "with flexibility, that the Salvadoran Army will not take part in this first stage of the talks. They have also agreed to hold the meeting abroad and have proposed to do it in Mexico."

Daniel Ortega concluded his speech by saying that the FMLN is now insisting it wants to have the UN and OAS Secretaries General Javier Perez de Cuellar and Joao Baena Soares, respectively, attend the talks as witnesses with San Salvador Archbishop Msgr Arturo Rivera y Damas as the moderator.

Two UNO Parties Reportedly Lack Legal Status

PA0509133489 Managua Radio Sandino in Spanish 1200 GMT 29 Aug 89

[Text] It was learned in local political circles that the Central American Integrationist Party, PIAC, and the Democratic Conservative Party, PCD, headed by Alejandro Perez Arevalo and Hernando Zuniga Montenegro, could be withdrawn from the rightist National Opposition Union, UNO, because they lack legal status.

According to the new law on political parties, any registration request to form alliances or nominate presidential candidates must be accompanied by a certificate stating that the parties that make up the alliance all have legal status.

In this regard, UNO, which is made up of 14 parties, would have to get rid of the PIAC and the PCD since they still lack such status.

According to political observers, UNO sent a notification to the National Council of Political Parties, CNPP, requesting a certificate in order to register as an alliance at the Supreme Electoral Council. In view of this legal problem, however, political observers have said that the UNO alliance may disintegrate.

According to reliable sources, it has not been ruled out that CNPP President Hugo Mejia will make a decision on the UNO request soon.

UNO Nomination Process 'Fixed'

PA0509140089 Panama City ACAN in Spanish 1930 GMT 4 Sep 89

[Text] Managua, 4 Sep (ACAN-EFE)— Gilberto Cuadra, president of the Higher Council of Private Enterprise (COSEP) of Nicaragua, said today that the procedures used to nominate the National Opposition Union (UNO) candidates for the 25 February 1990 elections were "fixed."

Violeta Chamorro was nominated as presidential candidate for the major opposition coalition on Saturday, along with Virgilio Godoy, leader of the Independent Liberal Party (PLI), as vice president.

In statements made to ACAN-EFE, Cuadra said "the political parties that participated in the nomination process do not represent the people," and the UNO candidates will not win the next elections.

The COSEP openly supported the candidacy of Enrique Bolanos, 61, honorary president of the organization, who was defeated by the UNO's electoral tribunal in a nomination process in which "dissension" prevailed, according to Sandinist newspapers.

Several alliances were formed in support of their candidates during the nomination process, and the group of four political parties (the National Democratic Confidence Party, Liberal Constitutionalist Party, National Action Party, and National Conservative Party), which supported Bolanos, was defeated by candidates Chamorro and Godoy.

In the beginning, the names of Violeta Chamorro and Enrique Bolanos were mentioned as the most probable candidates to be nominated by the UNO, but the centrist and leftist forces tilted the scales in favor of Chamorro and Godoy, according to observers.

The nominees (Violeta Chamorro and Virgilio Godoy), however, did not please the businessmen and a group of labor union members who supported businessman Enrique Bolanos, who has a degree in industrial engineering from St Louis University in the United States.

"It is not a winning slate capable of defeating the Sandinists," said Cuadra, who added that he was opposed to the nomination of these candidates, who were nominated at the headquarters of the opposition coalition last Saturday.

"The presidential slate is an empty shell, and I do not know if it will be able to withstand the pounding of the rain," Cuadra said in reference to the election campaign, which will end on election day, 25 February 1990.

According to Cuadra, he is not against Violeta Chamorro or Virgilio Godoy but against the way the candidates were nominated without regard to "a true consensus" that reflects the will of the people.

"I have nothing against the candidates, but that presidential slate will only be able to win at great cost," the businessman said.

Cuadra said that the business sector began holding meetings to discuss the election, and he hopes that by 8 September (private sector day) the COSEP will make an announcement regarding the "fixed procedures" used in the UNO nomination process.

COSEP Vice President Ramiro Gurdian also disagreed with the UNO candidates, but he aimed his criticism at Virgilio Godoy, a 55-year-old lawyer who was nominated to be the vice presidential candidate for the opposition coalition.

Gurdian criticized Godoy's "Marxist background" and said he had hurt the "working class" and the private sector with the imposition in Nicaragua of the National Labor and Wages Organization System (SNOTS), a Nicaraguan law that is currently in effect and regulates the policy on wages in this country.

Arce on UNO Candidate

PA1050935989 Panama City ACAN in Spanish 2246 GMT 4 Sep 89

[Text] Managua, 4 Sep (ACAN-EFE)—Sandinist Commander Bayardo Arce today downplayed the election of Violeta Chamorro as presidential candidate of the National Opposition Union [UNO] for the elections set for 25 February 1990.

At the conclusion of a meeting with Iqbal Riza, head of the UN observers mission for the Nicaraguan elections, Arce described Violeta Chamorro as "one of the candidates" who will participate in the election process.

On 2 September, Chamorro, director of the opposition daily LA PRENSA, was nominated presidential candidate of the UNO, the most important opposition bloc. Liberal Party leader Virgilio Godoy will be her running mate as UNO's vice presidential candidate.

Arce, one of the nine members of the governing Sandinist National Liberation Front [FSLN] Directorate, also dealt slightingly with Chamorro's prediction that the opposition will have a "sweeping" election victory over the Sandinists. The Sandinist leader said that he is "glad" the opposition has its candidates because this "gives shape to the electoral process" and "allows us to establish our strategy for the 1990 elections."

Arce, who is deputy coordinator of the FSLN Political Committee, said that the 60-year-old Chamorro "could place worse than other parties' candidates." He appeared certain that the FSLN will be "ratified" in the elections. Arce noted that when election day comes "we will see who the Nicaraguan people support, the FSLN or the 20 opposition parties."

Arce said that "much labor" was necessary for UNO to produce its presidential candidates and denied that Violeta Chamorro will become a Nicaraguan "Corazon Aquino." Arce, believed to be the deviser of the FSLN's foreign policy, noted: "This is not the Philippines, this is Nicaragua."

Regarding the FSLN candidate for the elections, Arce said that no one has been nominated yet. He reported that the name of the FSLN candidate will be announced after an FSLN assembly at the end of September.

The Sandinist leader also slighted the importance of the nomination of Moises Hassan—a member of the National

Reconstruction Junta that governed the country for some time following the Sandinist victory in 1979—as presidential candidate of the leftist Revolutionary Unity Movement [MUR]. In 1986, Hassan, who has a doctorate degree in physics and mathematics, separated himself from the FSLN and resigned from his post as mayor of a city arguing that he felt "disappointed" with the administrative performance of the FSLN.

On 3 September, the MUR nominated the former Sandinist militant as the party's presidential candidate and picked Francisco Samper as his running mate.

TV Broadcasts Political Parties Program

PA0609032989

[Editorial Report] Managua Sistema Sandinista Television at 0030 GMT on 29 August broadcasts a "30-minute program with political parties" in compliance "with agreements reached in the national dialogue and according to instructions of the Supreme Electoral Council." The program is divided into three 10-minute segments, with each segment being alloted to a different party. The participants in this program are an unidentified moderator and Miriam Arguello, secretary general of the Conservative Popular Alliance, APC; Eli Altamirano, secretary general of the Communist Party of Nicaragua, PCdeN; and Fernando Aguero, leader of the Social Conservative Party, PSC.

The moderator begins the APC's segment by asking Arguello to explain how 14 political parties can reach agreement on a government platform. Arguello says she has come to the conclusion that "the Nicaraguan people have set aside their party interests" and are now seeking a solution to "save Nicaragua from its economic, political, and social prostration." She adds that the 14 political parties talked things over and "came to the conclusion that Nicaragua cannot be saved without the participation of all its citizens."

Talking about the National Opposition Union, UNO, the APC leader reminds all her party members that "UNO represents their opportunity to oppose the government that has led Nicaragua to this disastrous situation." She adds that UNO's flag will be raised "by all the people, regardless of their different ideologies."

The moderator asks Arguello what "her main concern" is when reviewing the parties' platform. She answers that Nicaragua's young people represent "a priority issue" because they have been suffering for 10 years of FSLN government. Arguello also says that the young people do not want to fight "in a war to defend the interests of a party in which they have no interest." The APC leader urges young Nicaraguan people "to defend UNO" and "participate in the struggle" because "Nicaragua's future is in their hands."

PCdeN Secretary General Eli Altamirano is the participant in the next 10-minute segment. The moderator asks him to explain why the UNO government platform is the only viable alternative for the country. Altamirano says the government platform represents a solution "to the overall crisis which afflicts Nicaragua" because no sector has "escaped the effects of the crisis." The PCdeN secretary general says that UNO's candidates represent "an important choice," and he urges the people "to realize that they will vote" to save the homeland when they "vote for UNO's government platform."

The moderator next asks Altamirano "how difficult" it was for the parties comprising UNO "to agree on a government platform," since they "represent five different, even antagonistic, ideologies." He answers that "it was an extraordinary experience unlike any in Nicaraguan history," and adds that "it was a very difficult task" but "each of the parties contributed with their strength, integrity, honesty, and will" to save the people and the homeland. Referring to the electoral campaign, Altamirano says it "will be a difficult, harsh campaign," above all because the government party does not want to relinquish power. He states that the government "must give all the necessary guarantees," and adds that the opposition "does not rule out the possibility of government fraud—but "the people will support UNO" and "Nicaragua will have a new government."

The last segment is allocated to PSC leader Fernando Aguero, who states that everyone seems to be "talking about the need for peace in Nicaragua" but peace will not be achieved simply "by disarming the contras" because the country actually needs "economic, political, and social peace." Aguero adds that "a general amnesty is needed above all," because "there are 6,000 to 7,000 political prisoners in Nicaraguan jails."

Aguero also refers to the patriotic military service, "which is condemned by thousands of Nicaraguan families," and says that "the Nicaraguan family must be united to achieve political peace in the country." The PSC leader also says that the parties' campaign must be aimed at "exerting pressure" so the Nicaraguan people will no longer be unemployed or hungry. Aguero emphasizes that the country's "economic crisis is the result of the government's lack of administrative experience," so the country's "political leaders must strive to guide the nation toward a better system."

The program concludes with the following announcement: "In compliance with the agreements signed in the national agreement and in line with instructions from the Supreme Electoral Council, we have broadcast the 30-minute program with political parties. This television time has been granted free by the government in an effort to contribute to the development of the Nicaraguan electoral process."

Humberto Ortega Delivers Army Day Speech

PA0409224389 Managua Domestic Service in Spanish 1556 GMT 2 Sep 89

[Speech by Defense Minister Humberto Ortega on the occasion of Army Day and the 10th anniversary of the Sandinist People's Army at the Carlos Fonseca Plaza in Managua—live; broadcast in progress]

[Text]... this past belongs to you, young comrades, military service comrades, reservists, militiamen, and all of you who have been mobilized these past 10 years. More than a million Nicaraguans from all sectors, mainly from the poor classes, have mobilized in this crusade of liberty to defend the right to be free, to master our own future, and to definitely bury a past of terror and oppression.

Our Army's great achievement was made with the support and effective cooperation [words indistinct] of men from the Interior Ministry [MINT]. Together, we were able to to defeat the imperialist plans and the mercenary forces with our irreversible process that increasingly [word indistinct] the mercenary project. This has also been another great achievement of our Sandinist People's Army [EPS] during these past 10 years.

At the same time that the EPS embarked in the titanic task of defeating aggression in a nation that had to be reconstructed, in a nation that on 19 July [2-minute break in reception] for the future of our revolutionary process, our nation, and Nicaraguan youth as we were able, through our glorious EPS and MINT, to set the bases and consolidate the national defense system.

It would have been worthless to defeat the mercenary forces if, at the same time, we had not been able to form a modern army, a closely knit army, an institution that is becoming more professional every day and one that is able to guarantee our fatherland's defense. This has been the great achievement of the EPS in the past 10 years. Sandino set the bases for this Army when he formed the Army to defend national sovereignty. Today, after 10 years, we look back and think about those peasants that were headed by Sandino, and we feel satisfied because we can see that their work was not in vain. The Military Patriotic Service [SMP] has been a vital force in this process to create the national Army, to create an Army capable of defending the interest of the revolution and the people. It has been a vital force to defend the fatherland in view of the aggression we have suffered. The SMP has permitted tens of thousands of young men to take up rifles and to attend the call for the necessary defense of the country. The SMP is a vital need of Nicaragua, and is a vital need for the defense of the country. When we began to implement it, the SMP was immediately attacked and misinterpreted. Nicaragua's enemies even tried to sabotage it. However, the patriotism of our youth was stronger, the courage of our youth was stronger, the heritage of Sandino, of Andres Castro, of Benjamin Zeledon, of Carlos Fonseca, of German Pomares was stronger; the dignity, the pride, the love of the fatherland, the honesty, decency, and the desire to be a Nicaraguan was stronger than the continous campaigns the enemy carried out, has unleashed, and is still unleashing to kill this vital force of the people.

At that time, in 1984 and amidst these campaigns, we were very impressed to see how youths responded in defense of the fatherland and defeated such campaigns by those who wanted to impose the past. When we reach total peace.... [changes thought] We must point out that we have already attained a relative peace, we have attained a significant share of peace precisely because of the determination of the combatants, the Army, and the youth in the SMP to attain peace. When we reach total peace, then the SMP can be fulfilled without the natural, humane, and logical fears of our mothers, girlfriends, relatives, parents, brothers, relatives and friends of those young men going to fight the aggression, which is killing our children, our peasants, and is trying to prevent the gradual process of economic and social transformation which is badly needed in Nicaragua.

Military service will no longer mean that it is necessary to run the risk of offering one's life or becoming a cripple when serving the fatherland. Military service, as we planned it from the beginning, will then be able to contribute to the economy, education, and defense. All countries, in wartime or peacetime, need an army. This is part of the state, of the organization that is found in all systems, in all countries.

We are not going to give up the idea of having our Army, and we are not going to give up the idea of continuing to give our youth the opportunity to strengthen their patriotic feelings, to defend their fatherland and nation. We are not going to give up the opportunity of allowing them to defend the citizens who work and the children who are the future. We will never reject the opportunity of giving our youths a rifle so they will learn the modern military arts and science in the national defensive system.

The difference will be that in the future, when we have achieved total peace, the SMP will allow that all of this time and effort we devoted in rejecting aggression will then be able to be used to train more youths, in better academies, with more technologies, with better military educational systems. We will then be able to train our youth, our reservists, and our militia people in defense.

We will achieve total peace with this general staff that has made so many sacrifices, that is made up of qualified men who left their universities or professions to fight the tyranny. Today they are efficient and devoted men of the General Staff, of the military regions, of the Armed Forces, of the commands; these are the officers we have been training all of these years.

These are the men, qualifications, and systems of planning, direction, control, and organization that we have achieved in order to defeat aggression. When we have defeated the aggression, we will then be able to tell the government that there is the Army to lend all of its efforts, strength, and support in the plans for transformation, for saving our people from all of these horrible wounds the war has inflicted on us.

Actually Nicaragua has not had any rest. Our people have been constantly suffering a bloody war, a massive rebellion since the 1972 earthquake through 1979. This was necessary in order to oust Somozism and bury the past. We then began an even bloodier war, which is the war we have been suffering throughout these years. We have been the victims of a blockade, because the United States has tried to suffocate us, and it still is blockading us. Without neglecting defense or the SMP in times of peace, once we have achieved total peace, the General Staff, our soldiers, our officers, and all our military structures will be able to support, strongly and dynamicly, the plans of economic and social transformation that the country may require. We are sure we will attain it, because we are on the verge of achieving it, with the efforts of all. Also, and very important in times of peace, we will then be able to contribute to the national education system with the SMP.

As His Holiness Pope John Paul II recently said during a visit he paid to the officers and youths in military service in Italy, military service helps the youth, it gives them discipline, helps them in their education, helps them to achieve courage as men, and helps them to mold their character.

It helps young people become integrated into their society in a healthy and joyful manner. It turns youths into healthy and joyful young people, removed from the vice, drugs, and dissolute ways that unfortunately were part of our past society and are still part of the society of many countries. In peacetime, when we achieve total peace, military service will noticeably contribute to the country's efforts to raise healthier and more disciplined young people. Those young people will be better trained to help Nicaragua gradually overcome the poverty we inherited from the past and that the imperialist aggression increased over these past years.

Before this ceremony began, directorate Comrade Vice President Sergio Ramirez said that when we achieve total peace, our Army—together with the Interior Ministry—will also join the efforts by countries and peoples against that terrible scourge of drug trafficking that has caused so much harm to many young people in many parts of the world. Just as other countries' armies and interior ministries use their helicopters and knowledge to combat this terrible evil, just as they put their means at the service of this noble task, we are certain we will strive harder to combat this scourge. We have fought in Nicargua against this evil within our possibilities and in the midst of the war. During peacetime we will be able to contribute better to international endeavors in this field.

I want to take this opportunity on the 10th anniversary of our Army to sincerely recognize, on behalf of our people, the unselfish and unconditional solidarity from abroad. This solidarity has permitted our people to take up weapons to defend themselves, has permitted our people to take up weapons because they love peace and want to defend our territory, but never wish to attack anyone—much less to attack our dear brothers and our fraternal Central American republics. These weapons have been provided to Nicaragua, to the Nicaraguan Government, people and youth, with no conditions and no warmongering, militarist, or evil desire. First of all, I want to thank the USSR for providing the fundamental weapons for this nobel cause, for this noble task of our revolution. [applause]

We also want to thank the efforts undertaken so Nicaraguans can have an army, especially during the early years when we needed experts and advisers.

During the first years we did not have much knowledge on how to build a modern army. We had the solidarity and unselfish support of the fraternal Republic of Cuba, of Fidel Castro and Raul Castro [applause]. Representing Cuba on this important day is General Sergio Perez Lezcano, who was the first chief of the Cuban military mission during those difficult days for us. [applause].

We must point out that in those first years, if I am not mistaken, we needed a little over 1,000 Cubans because we had many tasks to perform in many different places. The Army we had to build required this. However, you can see the progress made by this Army, for which we have trained more than 14,000 officers in various academies here and abroad. Today we have less than 33 Cuban specialists and advisers helping us in some sectors and tasks of the Army which we are perfecting and consolidating.

I also want to recognize the various kinds of support provided by the GDR, Korea, [applause] Algeria [applause], Libya [applause], Czechoslovakia [applause], France [applause], and Bulgaria among others. Many other governments like Greece have been helping our national defense system in one way or another, to a smaller or a larger extent. Spain has also assisted by granting some credits in this noble cause for peace of the Nicaraguan people.

Nicaraguan brothers, to conclude I want to briefly refer to the campaigns of the mercenary forces, those groups which are still being deceived and continue unnecessarily causing harm because they have already lost the war.

I clearly remember when we were in Sapoa with Enrique Bermudez when he was proposing that we virtually turn all power over to those of the past, to the subversives, to the mercenary forces. On that occasion and in the presence of His Emminence Cardinal Obando y Bravo, the OAS secretary general, I told Bermudez: How is it possible that you are coming here to demand what you have not conquered with weapons? Are your forces here surrounding the Camino Real Hotel? Are the contra forces surrounding Managua? Are the contra forces surrounding Tipitapa? Are the mercenaries occupying Matagalpa, Jinotega, Juigalpa? What places in the country

are under your control so that you come here demanding that power be turned over to you?

Actually, there are still a few thousand contras who are confused. First of all, we are making an effort so the contras fulfill the Tela accords and the agreements signed by the five Central American presidents. The five presidents reached this agreement because they want to prevent any further bloodshed to a long-suffering nation and to the contras themselves because they have been totally defeated. The agreements would shorten a war the [contras] have already lost. However, there are still some contra groups wanting to continue the war by all means. In the past few days, some have even said that even if the United States were forced to abide by the Tela accords and to support the five Central American presidents, they would continue a terrorist struggle with small groups, waiting for a new Ronald Reagan to reach power who would support them. Some of the most stubborn and warmongering contras have reached that point. Nevertheless, there are many who are really thinking about how to help attain peace. Many have abandoned their groups and have yet not contacted us, the Army; however, we have learned they have left the contras and have searched for relatives. Some have already established contact with the EPS units and the MINT authorities.

We are giving all the guarantees to be able to reach the total peace we so much need. However, those who want to continue war are making speeches about the situation. What do they say in their speeches to the peasants? They tell them that the FSLN cannot win the elections; that it should not win the elections because if the FSLN does win there will be peace. Peace for them means that the United States will not be able to continue to maintain them as there is no justification for a mercenary force. The EPS knows that peace is what our people most want. We are going to struggle against these malevolent speeches that want to confuse the peasants and threaten them by telling them not to vote for peace. Those who do not want peace say that to vote for the FSLN is to vote for peace, and if peace prevails then they will not have the chance of beating the Sandinists with weapons.

We want to end our speech today with hope and optimism. We started remembering our heroes and our martyrs. We recalled our crippled and the men in military service. We, the Sandinists, who like Tomas Borge started to fight when we were very young; who like Victor Tirado who left his country, Mexico, to give his all to the Sandinist cause back in the sixties when he was very young; who like my brother Daniel and myself, Lenin Cerna, Doris Tijerino, [name indistinct], and Francisco Moreno, made up a small group. Some of us were only 14 or 15 when we started our military service. We were not old enough to go into military service then but we started it without setting a time limit. We were a small group but we were willing to keep up our military work for as long as necessary, even if it involved jail terms, torture, or becoming crippled. I was one of the first crippled in the struggle back then when we were just a few. But we did not give up; we had hope for the future. The Sandinists were united. We were the force that moved the masses to attain victory later on.

I was saying that we recalled our heroes and, because of our heroes and our dead, we are totally convinced that peace is going to be achieved soon. Elections are peace and peace is what our people want the most. Our officers and soldiers want peace. They want their wages and their conditions of life to improve. They want to live in society without getting harmed and without turning egotistical. Our people want to live better and they have a right to do so. We have struggled to have a Nicaragua that can compete with the other Central American countries that have not had a war like the one we have suffered. We know that Nicaraguans have the nerve, the strength, the creativity, the willingness to work for peace to come to Nicaragua. Nicaraguans want peace to be able to work and make Nicaragua more beautiful, more precious, to make her beautiful as Dario and Sandino wanted her to be, beautiful like our dear camrades who have fought for her in this war would have wanted her to be, beautiful like the Sandinists want her to be, beautiful like the Nicaraguans want her to be. Long live the EPS. [crowd repeats: "Long live the EPS."] Long live free Nicaragua. [crowd repeats: "Long live free Nicaragua."] Long live Nicaragua. [crowd repeats: "Long live Nicaragua."]

LA PRENSA Reporters Not Allowed in Jails

PA0709020289 Managua LA PRENSA in Spanish 26 Aug 89 pp 1, 12

[By Roger Suarez and Roberto Orozco]

[Text] At the last minute, the Ministry of the Interior [MINT] reneged and did not allow the LA PRENSA reporters to visit the Tipitapa Jail and verify charges made by the prisoners regarding human rights violations by prison guards.

The MINT press department had invited LA PRENSA to visit the jails today, but when our reporters showed up they found that the authorities were selecting the reporters who would be allowed to go beyond the cold cement and steel walls that surround the jail.

All morning they told our photographers and reporters, and other newsmen to whom access was also denied, to wait because they were verifying whether they could go in.

Reporters from the progovernment newspapers, who arrived after the LA PRENSA reporters, had no problem getting in. The guards posted at the security checkpoints politely invited them to enter.

LA PRENSA has received many letters from prisoners who have given the number of the cells where several prisoners are being mistreated.

Foreign correspondents who were not allowed inside the jail strongly protested the MINT officials' selection of who could or could not accompany some members of the International Red Cross on their tour of the complex.

"It is not my fault. I only do what my superiors tell me to do. You cannot go in," a young soldier who guarded the entrance to the jail said.

All a person who is unaware of the tragedy experienced by the Nicaraguan people must do to become aware, is to stand outside the jail and watch the hundreds of children, youths, and older people, with tired faces, walking into the jail with small bundles of food on their heads. They are trying to improve the diet their relatives are getting behind bars.

"Hey kid, if they let you in, say hello to Bernardo for me. I may not get to see him today," said a poor woman sitting under a tree waiting and hoping that her husband would be given permission to talk to his family for a few minutes.

Outside, the families of the Tipitapa Jail prisoners once again confirm the charges that the prisoners' human rights are constantly being violated by the authorities.

Mrs Lesbia Rodriguez de Alonso, wife of Domingo Alonso Rivas, one of the group of 39 former Somozist guards, said that her husband has a perforation in his right ear as a result of the constant beatings he receives.

Lesbia Rodriguez said that her husband has lost 56 percent of his hearing in his right ear and 26 percent in the left ear. According to her, the private doctors who have treated him in jail have told her that he will probably lose his hearing.

Many relatives of inmates in the jail have said that the state of health of the prisoners is critical. Even though the prisoners have their own medical center, it does not have what the patients need to cure themselves.

Carmen Vega Escobar said that her brother, Roger Vega Morales, another of the 39 former Somozist guards, has several tumors on his head as a result of poor circulation. Even though his condition requires surgery, the Tipitapa Jail authorities will not release him.

Defense Ministry Cites Contra Attacks 27, 28 Aug

PA0609025689

[Editorial Report] Managua BARRICADA in Spanish on 30 August carries three separate reports on pages 2-B and 5-B on recent clashes between Sandinist People's Army [EPS] soldiers and contra rebels. Citing a Defense Ministry report on rebel actions in Juigalpa Department, the newspaper states that, on 27 August, 30 contras killed one peasant in an area located 8 km southeast of Muelle de los Bueyes. This report also notes that 11 contras killed another peasant in an area located 6 km from La Gateada.

The Defense Ministry reported two other contra attacks on 27 August. The first one was carried out in "La Laguna region, northeast of Dipilto, Nueva Segovia Department. A mercenary was killed and his rifle seized." The second attack occurred "in Paso Real, Yaosca, Matagalpa Department, and as a result one soldier was was killed." On 28 August, "the contras attacked our troops in Chacachaca Creek, southeast of El Tortuguero, southern Atlantic autonomous region." One soldier was killed and two were wounded in the fighting.

In the last report, BARRICADA states that "chief contra courrier Jesus Cerda Oporta," his brother Rito Cerda Oporta, and Fermin Luna Sanchez decided to abandon the contra ranks, citing widespread abuses by contra leaders against local merchants and even other contras. According to the news report, the three "men provided important support work to the Jorge Salazar No 4 task force."

Two EPS Dead, Two Wounded in Contra Attacks

PA0609004389 Managua Domestic Service in Spanish 1225 GMT 5 Sep 89

[Text] Jaime Garcia was murdered in La Sardina, located southeast of Santo Domingo, Chontales Department, by a group of counterrevolutionaries, who also wounded Carlos Alberto Blas Tellez.

Another mercenary attack took place Sunday, 3 September, at Jocotal Hill, Waslala, Matagalpa Department, where a person was killed and another was wounded, the Defense Ministry has reported.

A total of two EPS [Sandinist People's Army] members were killed and two others wounded as a result of the contra attacks.

Panama

Noriega Delivers Message to Nonaligned Summit

PA0709164989 Paris AFP in Spanish 1208 GMT 7 Sep 89

[Text] Belgrade, 7 Sep (AFP)—The Defense Forces of Panama [FDP] and the Panamanian people "will resist as long as necessary" the U.S. "aggresion," without "going a single step backward," announced a message sent by General Manuel Noriega to the Nonaligned Summit in Belgrade. Noriega is the FDP commander whom the United States wants to remove. He has been charged with having taken part in drug trafficking. Noriega explained that, although he is not a head of state or government, he was addressing the Ninth Nonaligned Summit of the 102 member countries of the Nonaligned Movement as the FDP comander in chief.

The purpose of the "aggressive" U.S. policy is clear, Noriega explained. The United States does not want to comply, he added, with the agreements of the Torrijos-Carter treaties which establish the return of the canal to Panama on 31 December 1999.

Noriega recalled that over the past 2 years of the Ronald Reagan administration, the United States demanded to renegotiate the extension of its military presence and bases in Panama after the year 2000. "With no respect

for our honor as soldiers, they attempted to force the participation of FDP troops and special units in the military aggression against the fraternal nation of Nicaragua," Noriega stated in his message.

"The rejection, with no hesitation, of these two plans which are unacceptable to any true Latin American patriot, unleashed against my country" U.S. wrath, he pointed out. Noriega then listed the "sanctions" imposed by the United States against Panama, including withholding revenues and benefits from operation of the canal, and illegally withholding taxes and social security payments deducted from the pay of Panamanians working on the canal.

Noriega added that the United States also decided to freeze millions of dollars belonging to the National Bank of Panama deposited in U.S. banks, confiscate airplanes from the state-owned airline, and ban U.S. enterprises from paying taxes to the government.

In addition, Noriega emphasized, there was an increase in the number of U.S. troops at the bases in the canal area, the introduction of hundreds of combat vehicles, armored vehicles, and combat helicopters.

The U.S. goal is to "make the Panamanian leaders give in," and impose on the Republic of Panama [words indistinct] willing to review the Torrijos-Carter treaties, or tolerate [treaty] violations, he concluded.

Noriega on Meeting With U.S. Vietnam Veterans

PA0709145689 Panama City Domestic Service in Spanish 1130 GMT 7 Sep 89

[Interview with General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, with unidentified reporters following a meeting with U.S. Vietnam War veterans; date, place not given—recorded; broadcast in progress]

[Text] [Noriega] ...a political transformation like this one there are various concepts. These concepts range from those that a nation would normally have to consider to those that it is forced to contemplate because of pressure from a superpower. What is important for us is peace and development in the country while planning to build a new republic and while respecting our Latin American brothers and demanding respect as a sovereign people.

[Reporter] What do you think of the presence of Vietnam veterans in our country?
[Noriega] Their visit has great value. First, because they represent a historic force that fought defending a flag, the flag of the United States of America. These men are capable of assessing the truth in our territory and evaluating our goals and prospects. They can determine whether we Panamanians are really a threat to the United States, as if we were a highly sensitive thermonuclear plant. Therefore, their presence here—they are professional men, some of them are Panamanians—will help provide U.S. citizens with a picture of Panama's reality in the field they are trying to lead us into, which is war.

[Reporter] Could they influence U.S. opinion toward Panama?
[Noriega] The message is particularly for U.S. society, which is very receptive to this type of message.

[Reporter] [Words indistinct]
[Noriega] Well, it is really a symbolic support; nevertheless, we want them to know the truth. They even told us that when they left their country they were wearing military uniforms and were told that as soon as they arrived at the airport their hands would be manacled, as if we were in New York where blacks are really tied up like animals.

[Reporter] What is the situation like in Panama now?
[Noriega] Well, we are currently in a planning phase, conducting international evaluation, and implementing projects that will really help our people achieve their development and survival as a nation. We will fight within our communities against hunger and underdevelopment.

[Reporter] Will this be difficult [words indistinct] in the United States?
[Noriega] Yes, of course. It is difficult because we are facing pressures and aggression. However, we Panamanians are good fighters and will survive.

[Reporter] One last question. What is your opinion regarding the Panamanian opposition?
[Noriega] They are being offered an opportunity. The president of the Republic has given them the opportunity to sit down and talk with Panamanians, as Panamanians, without compromising their political parties or their political ideologies. However, they are waiting for the United States to set the table for them.

Former Envoy: Noriega Involved in Drug Trade

PA0609224889 Madrid EFE in Spanish 2221 GMT 6 Sep 89

[Text] Caracas, 6 Sep (EFE)—Marcel Salamin, Panamanian ambassador to Venezuela between 1986 and 1988, asserted today in Caracas that he has evidence of Panama Defense Forces Commander General Manuel Antonio Noriega's involvement in drug trafficking.

Salamin said during a news conference that Noriega is an associate of two businessmen of Spanish origin who are now Venezuelan citizens and manage the "Omega" company—being investigated in Venezuela for its alleged participation in the laundering of drug-trafficking money.

The former ambassador identified one of Noriega's Venezuelan associates as Florindo Fernandez, and added that he will reveal the name of the second one—who travels with a Panamanian passport—by the end of this week.

Marcel Salamin was Panama's ambassador to Nicaragua and alternate ambassador to the United States during General Omar Torrijos' regime.

Salamin and former Panamanian Ambassador to Venezuela Diogenes de la Rosa, who returned to Venezuela last year after representing his country there in the 1960's, demanded Latin America's solidarity so that Gen Noriega is forced to leave his post.

The two diplomats criticized the appointment of authorities in Panama without consulting the people, after the previous government annulled the 7 May elections that the opposition claims it won.

Referring to this, they also said that "all that is currently taking place in Panama is the result of brute force" and the non-existence of juridical principles, because the Council of State "assumed an authority it does not have" when appointing Francisco Rodriguez as provisional president.

Further Reaction to New Provisional Government

Ecuador Not To Close Embassy

PA0609205989 Panama City Domestic Service in Spanish 1645 GMT 6 Sep 89

[Text] Mario Aleman, Ecuadoran acting foreign minister, told reporters that Ecuador will not close its embassy in Panama nor will it recall its ambassador. He denied reports circulating yesterday that there would be a break in diplomatic relations between the two countries. Aleman said that Ecuador makes its own decisions on foreign policy. These decisions do not reflect other countries' decisions or interests, he said.

PALA Leader Comments

PA0709024489 Panama City Cadena Exitosa in Spanish 1700 GMT 6 Sep 89

[Text] Ramon Sieiro, secretary general of the Labor Party [PALA], has said that his party was not consulted or offered any positions in the new Panamanian Government. He said, however, that PALA's members are still united around a common interest, national liberation. The current government is illegal, he added.

[Begin recording] [Sieiro] As many people have said, the establishment of this government represents a coup. This government is entirely unconstitutional and is not the result of elections. Consequently, it is a de facto government. We all should understand this. This is an established fact. We have not invented it. We are dealing with a de facto government. We again reiterate that the present government is not at all related to the political power of a single party. A group of people have been designated to form a government. We wish them the best luck, although this government should have been formed with members of a larger number of parties. This would have helped the reconciliation of the Panamanian family. Even so, we wish them good luck.

[Reporter] Would PALA have accepted the vice presidency of this government?

[Sieiro] PALA was not consulted and no positions have been offered to the party. We think our party remains united on several important things, such as the national liberation process. Nobody could question our party's contribution to the process. We do not think a single party can claim for itself all of the nationalism or patriotism. There is still a wide political space available for PALA. We hope we can continue to demonstrate that America shines because our homeland shines. [end recording]

Students Protest New Government

PA0609191389 Panama City Circuito RPC Television in Spanish 1739 GMT 6 Sep 89

[Passages within quotation marks recorded]

[Text] National Institute students this morning went out into the streets adjacent to the school to protest the installation of the new government that took office on 1 September and the arrest of three biology students from the National University on 28 August.

[National Institute Principal Ernesto de Leon] "This time, the students did not tell my office what they were going to do."

The demonstration lasted approximately 2 hours. From the school's windows and terrace, students threw chairs, blackboards, stones, and Molotov cocktails.

[De Leon] "We know we have few resources, and we must make do with what little we have to do a good jobs as educators. However, it seems students do not care about that."

Immediately after the students took to the streets, dobermans, and the Panama Defense Forces [FDP] riot police, pushed the students back with tear gas and surrounded the school to quell the protest. After the FDP crushed the students' protest, the students were removed from the school. After this, National Institute principal De Leon told the press the school was closed indefinitely, as a measure to protect the more than 3,000 students who attend school there.

[De Leon] "The school will be closed while an investigation is being conducted. Once we find the guilty students, we will punish them accordingly. We must end once and for all the uncertainty among students. Many students do not agree with what is going on. We cannot have a small group causing a disturbances within the National Institute family."

Some students used the laboratory to make Molotov cocktails and other chemicals for their protest.

[De Leon] "With the use of these sort of devices, things can get out of hand. Our chief duty in an education center is to protect our students. If we notice this sort of thing, we

must take steps to protect those who really come here to study. As for those not interested in studying, we will take measures to remove them, or who knows."

Diplomatic Blockade Discussed

PA0609220189 Panama City ACAN in Spanish 1956 GMT 6 Sep 89

[Text] Panama City, 6 Sep (ACAN-EFE)—The Panamanian Government began today to study the policies it will adopt to try to break its international isolation, which has worsened since Provisional President Francisco Rodriguez was sworn in on 1 September.

Acting Foreign Minister Gustavo Gonzalez today opened the work sessions of the advisory commission, the goal of which, he said, is to "come up with some answers to the U.S. attempts to impose a diplomatic blockade on Panama."

Asked by ACAN about the current status of the Panamanian foreign relations, Gonzalez said "it is not easy," because "our enemy (the United States) has a long arm." However, he added, the situation is "manageable."

After Rodriguez was appointed president by the State Council—of which Defense Forces Commander General Manuel Antonio Noriega is a member—several countries reduced the level of their diplomatic representations to Panama, withdrawing their ambassadors or calling them home for consultations.

Only four Latin American ambassadors remain in Panama (Nicaragua, Cuba, Mexico, and Ecuador). The EEC criticized the structure of the new government that it termed "illegitimate."

"We should have patience," the foreign minister said when ACAN-EFE asked him about reaction criticizing Panama by presidents and other Latin American leaders.

According to Gonzalez, Latin America has not yet expressed a unanimous opinion over the Panamanian situation. Therefore, it is necessary to wait for the decision of the foreign ministries which called their ambassadors for consultations. The foreign minister pointed out that the new government has received messages of "congratulations" from Nicaragua and Cuba and an announcement by the Guatemalan Government that it will not break relations.

As for Panama's relations with Washington, he said that "they have not changed," and added that "they are at the same level as before the change in government.

In his opinion, the only difference now is that the United States presently occupies the facilities of the Panamanian Embassy in Washington, "thanks to Juan Sosa, who had served as ambassador of a government that they invented."

Until 1 September Sosa was loyal to former President Eric Arturo Delvalle, who was recognized by the U.S. Government although he was deposed in February 1988 for trying to remove Noriega from the military leadership.

As for what Panama should do about its relations with the United States given that Washington has announced that it will not recognize Rodriguez, the acting foreign minister said that the advisory commission that was installed today will submit recommendations to the president to help him establish the appropriate policy.

Gonzalez, who is also minister of planning and economic policy, said that it is logical for investments to "shrink" in Panama at this time, because that also happens in other countries during periods of change of government.

Meanwhile, Romulo Escobar Bethancourt, member of the newly installed advisory commission and former negotiator of the 1977 canal treaties, said that during its meeting today the group of advisers held an in-depth analysis of the country's international relations and began to draft a document that will be sent to embassies and international organizations.

Escobar, who also served as the government's representative during the negotiations with the Panamanian opposition promoted by the OAS in July and August, added that the dispatch of special missions abroad to counter a diplomatic blockade has not been ruled out.

EC Suspends 'High-Level' Contacts

PA0609213389 Madrid EFE in Spanish 2026 GMT 6 Sep 89

[Text] Madrid, 6 Sep (EFE)—The EC has decided to suspend all high-level contacts with Panama, except those involving matters affecting human rights or foreigners in that country, official Spanish sources have reported.

The decision to freeze contacts with Panama was one of the conclusions reached today in Paris by the EC's Committee on Political Cooperation, in which the political directors of the 12 member countries participated.

The sources said, however, that the EC has left avenues open in order to continue efforts to outline its points of view to the Panamanian Government.

The decision adopted today is in keeping with the European partners' rejection of Francisco Rodriguez' election as Panamanian president.

In addition, the Committee for Political Cooperation decided that the EC representatives will not attend official ceremonies or accept invitations from the Panamanian Government or its Armed Forces.

The same sources told EFE that the EC political directors voted to intensify contacts with the Panamanian opposition and not to enter into commitments to support Panama at international organizations.

The 12 members also decided to freeze bilateral technical cooperation with Panama, except in cases involving humanitarian and social assistance.

The EC political directors voted to remain in permanent contact with the OAS and the Group of Eight to exchange information on the situation in Panama. They also stressed their support of the OAS efforts to solve the Panamanian problem.

Former Tourism Official Said Spying for U.S.

PA0709005989 Panama City LA REPUBLICA in Spanish 6 Sep 89 pp 1-A, 8-A

[Text] Arturo McGowen, former director of the Panamanian Tourism Institute, IPAT, has turned into a spy on the Labor Party, PALA, for the gringos; he is the person who has been carrying instructions from the U.S. Embassy in Panama to PALA leaders.

Information gathered by LA REPUBLICA reveal the activities of this man, who has been recruited by the gringo embassy in our country to infiltrate the PALA National Executive Council, and who has been boasting to the PALA leaders that he brings "the latest information from the gringos."

McGowen has been meeting with North Americans David McGhee, Polt, and Charge d'Affaires John Maisto, the man in charge of the U.S. Embassy since Ambassador Arthur Davis left for the United States.

David McGhee, Polt, and Maisto have given McGowen instructions and guidelines that he in turn gives to the PALA leadership.

It may be recalled that McGowen practically left the IPAT bankrupt when he was in charge of the institute because he squandered more than half of its assets.

McGowen also availed himself of his alleged friendship with the late Hollywood actor John Wayne to get cushy jobs from General Omar Torrijos—even though Eugene McGrath was the actor's real friend.

The former IPAT director, who has been serving antipatriotic interests and dedicating body and soul to the U.S. Embassy's seditious actions in our country, always wanted to be "an aristocrat" and he was afflicted by this complex because Panamanian high society always rejected his pretenses.

This man was once charged with plagiarism concerning a picture he exhibited at the Omar Torrijos International Airport, which indicates the low morals of this individual, who now infiltrates the PALA leadership.

Editorial on U.S. Withdraw of Support

PA0709003189 Panama City CRITICA in Spanish 6 Sep 89 p 4

[Editorial: "Mr Bush Will Be the Only One Responsible"]

[Text] The U.S. Government's myopic and impulsive policy in its relations with countries which decide to use their natural resources for their own benefit is the only cause for the flight of those nations that sooner or later fall in the orbit of influence of other foreign superpowers.

The childish, infantile, and puerile stubbornness with which the United States withdraws its support from certain countries and punishes them as mercilessly as if they were spoiled children to be deprived of an illgotten toy has already led quite a few nations to move away from the U.S. sphere of influence and look to the other superpower for the vital aid that their people require to avoid starving to death.

As if that were not enough, the stupid, resigned pack that plays the role of U.S. internal supporters in those rebellious nations—which is Panama's case now—acts contrary to what good sense calls for, destroying like a herd of cattle in a garden the little that is left of their economies. Such an attitude, which is illegal and violates current procedures and their own commercial interests, is what some murky opposition groups are planning to implement.

Showing the intelligence and eloquence of an oyster—unless someone with a shred of intelligence shows up among them—they will return to the unsuccessful policy they implemented at the beginning of the crisis, when they recommended that the country's businesses not pay taxes to further unbalance the nation's economy and hopefully, according to them, subdue the people and the government's liberation struggle.

The feeble minds of those who thought of these formulas do not conceive of the possibility—very simple indeed—that they are throwing a boomerang-type bomb that will explode in their faces once it gains force.

These types of actions always cause great damage to those who apply them; however, in the interim they increase the abject poverty of already indigent groups.

The situation we have described makes us consider the possibility of following the path taken by other nations pressed by the U.S. Government's childish arrogance. Panama has all the characteristics of the so-called Third World nonaligned countries, and therefore we should remain in this group. However, this should not prevent Panama from turning its eyes toward any nation or power that at any given time can contribute to improving the frail national economy without showing disrespect toward our self-determination and imposing conditions that will harm our dignity and sovereignty.

Any person—and the example is also applicable to a nation—who is about to drown in the middle of the ocean will cling to the first hand extended to help him without thinking whose hand it is.

Bush and his national and foreign lackeys will be fully and solely responsible should we seek aid from nations traditionally adverse to U.S. policy.

Tax Director Blames U.S. for Decreased Revenue

PA0709011489 Panama City Circuito RPC Television in Spanish 1730 GMT 5 Sep 89

[Text] The Panamanian taxpayer should pay his obligations to prevent the coercive collection of taxes, according to Ricardo Levy, director of the revenue office.

[Begin recording] [Levy] We, as tax directors, are duty-bound to collect the taxes established by law. If taxes are not paid we proceed to collect by legal means. Obviously, the type of legal measure adopted depends on the [9-second break in reception] enough to pay his taxes. If he does not pay, we will immediately proceed to coercive collection of the taxes owed, with the surcharges and interest established by law.

[Reporter] What is the present revenue situation?

[Levy] I have often said that tax revenue is definitively lower than it should be on account of the economic aggression the country is facing. However, revenues are higher than they were in 1988, and in some specific items not affected by the U.S. aggression, we have the same level of revenue as in 1987. [end recordings]

Levy also referred to the U.S. economic sanctions.

[Begin Levy recording] Obviously, the United States has determined that U.S. companies should not pay taxes on income they generate. Also it has determined that they should not pay the income tax withheld from Panamanian employees working for the Panama Canal Commission, nor from Panamanian employees working for U.S. companies. Defintively, this is an illegal seizure of funds that belong to Panama and its people. The U.S. has whimsically ordered that these funds be withheld from their rightful owners.

Another item that affects national revenue is the Panama Canal annual payment, which the United States does not pay to Panama, thus clearly and definitively violating the Panama Canal treaties. The revenue from the oil pipeline operated by Petroterminales Panama is not being received either. Those are the items that cause the decrease in our revenues. [end recording]

Acting Foreign Minister on U.S Sanctions

PA0709001989 Panama City Telemetro Television in Spanish 2309 GMT 6 Sep 89

[Text] Acting Foreign Minister Gustavo Gonzalez has announced that a diplomatic offensive will be launched to counter an ongoing attempt to isolate Panama. On swearing in the members of the Foreign Relations Commission that will serve as an advisory group to the provisional president, Gonzalez said this morning that the United States plans new sanctions against our country.

[Begin Gonzalez recording, in progress] ...formation of a group of people who are experienced in diplomacy, international relations, and international law, to advise the president and the Foreign Ministry, through the foreign minister, is a matter that has been under consideration in the past few days in view of the threat of diplomatic isolation posed by the United States at this time in an attempt to obtain its objectives in Panama.

This group was installed in office today at the Panamanian Foreign Ministry to allow its members to consider measures that can be taken to face up to this situation, which is being created at the Latin American level among the members of the OAS, and also among some U.S. allies in Europe and other parts of the world. Panamanian diplomacy has to be activated to respond effectively to this attack currently being launched by the United States. The effective response is a strategy of seeking out the various news agencies that have circulated news with interpretations that are at variance with our country's interpretation. The information that we want to send to friendly countries is being prepared by the Foreign Ministry at present, and is also being made available to the local and foreign press. [end recording]

Defense Forces Find 'Powerful' Explosives

PA0609131789 Panama City MATUTINO in Spanish 6 Sep 89 pp 1, 13

[Text] Colon—Panama Defense Forces [FDP] seized a shipment of explosives, three times more powerful than dynamite, at Cristobal Port's Pier 7, after it was unloaded from the German freighter "Colombus Louisiana," which came from New Zealand.

Unloaded from the freighter at Cristobal Port was a total of seven containers consigned to shipping company C. Fernie and Company. Some of the containers were destined for the H. Tzanetatos Company and others for the Chiricana Dairy Company. The containers had the following serial numbers: ZUDO 236252-2; ZUDO 234223-3; ZUDO 236296-5; ZUDO 234029-3; ZUDO 231490-4; ZUDO 243110-9; and ITLU 615468-3.

The "Colombus Louisiana" freighter's next port of call is the Netherland Antilles.

When Colon military zone officers, led by Major Anibal Maylin Arevalo, made the discovery, they took appropriate action, assuming that the cases of explosives were going to be smuggled into the country for subversive and destabilizing purposes.

The high power of the explosives caught the attention of the local authorities because of the implications they could have on the Panamanian people if the explosives were used for subversive or destabilizing activities.

An investigation into the case is continuing to determine who is involved.

Argentina

Appointment of New Envoy To Panama Not Planned

PY0609204189 Buenos Aires TELAM in Spanish 2016 GMT 6 Sep 89

[Text] Buenos Aires, 6 Sep (TELAM)—Raul Carignano, the Foreign Ministry secretary for Latin American affairs, this afternoon stated that Argentina will not appoint a new ambassador to Panama as "a protest measure" over the Panamanian institutional crisis.

Carignano added that this decision "is in keeping with the position taken by the member countries of the Group of Eight, which view with concern the developments of the Panamanian institutional crisis."

President, Delegation Returns From Abroad

PY0709121289 Buenos Aires TELAM in Spanish 1130 GMT 7 Sep 89

[Text] Buenos Aires, 7 Sep (TELAM)—At 0725 President Carlos Menem returned to the country from Madrid where he met with Felipe Gonzalez. Madrid was Menem's last stop on his trip to Yugoslavia, where he participated in the meeting of the nonaligned countries.

Menem arrived on Aerolineas Argentinas Flight No 121, a regular service of that state company. He was accompanied by the officials, including Foreign Minister Domingo Cavallo, who made up the small official delegation.

Offers Planes to Colombia

PY0709143289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1340 GMT 7 Sep 89

[Text] Buenos Aires, 7 Sep (NA)—President Carlos Menem today announced the imminent loan of "three to six" Pucara planes to Colombia "as an Argentine contribution" to the fight against drug trafficking.

Menem made this statement as soon as he arrived from Europe, where he participated in the ninth meeting of nonaligned countries in Belgrade, Yugoslavia.

After emphasizing that during the meeting, in which the representatives of more than 100 countries participated, "everyone spoke about and discussed drug trafficking, terrorism, the foreign debt, and ecology," the chief of state said that the Pucara planes will depart for Colombia "when that country requires them."

"This is an Argentine contribution in the fight against the repugnant business of drug trafficking, which is in partnership with terrorism," Menem stressed in response to a NOTICIAS ARGENTINAS question.

Finally, he maintained: "The Pucara planes are designed to fight guerrillas"; therefore, I believe that these nationally produced planes will be very useful to Colombia.

Vice President Says Menem Will Pardon Military

PY0609230189 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2233 GMT 6 Sep 89

[Text] Buenos Aires, 6 Sep (NA)—Vice President Eduardo Duhalde revealed this afternoon that, upon returning from Europe, President Carlos Menem will pardon the Army personnel who participated in the Holy Week, Monte Caseros, and Villa Martelli uprisings.

Duhalde made the announcement to reporters accredited to Government House. He made it clear that the pardon "in the first stage" will include only those involved in the above uprisings.

Alfonsin To Visit Nicaragua as Election Observer

PY0609181389 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1444 GMT 6 Sep 89

[Excerpt] Buenos Aires, 6 Sep (NA)—Former President Raul Alfonsin will travel next week to Nicaragua to observe the election process that has started in that country. Before going to Nicaragua, Alfonsin will go to Venezuela to meet with President Carlos Andres Perez.

Alfonsin is traveling to Nicaragua at the invitation of former U.S. President James Carter, who in turn was called by Nicaraguan Chief of State Daniel Ortega. [passage omitted]

Jewish Leader Reacts to Possible PLO Office

PY0609122889 Buenos Aires Domestic Service in Spanish 0200 GMT 6 Sep 89

[Text] David Goldberg, president of the Delegation of Argentine-Jewish Associations, considers that the opening of a Palestine Liberation Organization office in our country will not benefit Argentina now. Goldberg said: We do not think that this will contribute to peace in the Middle East in general or to the Argentine situation in particular; rather it would bring to Argentina a problem we have not had before.

45.5 Percent Trade Surplus Reported

PY0609192789 Buenos Aires BUENOS AIRES HERALD in English 6 Sep 89 p 6

[Text] Buenos Aires, (NA)—Argentina enjoyed a 573 million-dollar trade surplus in June, 45.5 percent higher than a year ago, according to the National Statistics and Census Bureau (INDEC).

Exports went from 872 million to 946 million dollars, while imports fell from 478 million to 373 million dollars.

Unadjusted figures for the first seven months of 1989 show a 3.082 billion-dollar trade surplus, a 65.1 percent increase over the same period in 1988 resulting from a 14.6 increase in exports and a 16.3 percent drop in imports.

Figures for the first six months of 1989 showed a 2.462 trade surplus, 70.3 percent above the same period in 1988. Of the 4.663 billion dollars in exports, food products contributed 949 million dollars and metals 541 million.

The main imports were machinery and electrical materials, 586 million dollars, chemical products, 536 million dollars, and metals, 541 million dollars.

United States was the main partner, with trade between the two countries favouring Argentina by 154 million dollars.

The principal buyers were the U.S., with 579 million dollars; the Netherlands, with 489 million dollars; the Soviet Union, with 454 million dollars; and Brazil, with 372 million dollars.

The main sellers were the U.S., with 425 million dollars; Brazil, with 370 million dollars; West Germany, with 215 million dollars; and Italy, with 125 million dollars.

* Rapanelli on Salary, Demand Reactivation

33480248a Buenos Aires AMBITO FINANCIERO in Spanish 20 Jul 89 pp 48, 38

[Interview with Economy Minister Nestor Rapanelli; date and place not given]

[Text] [AMBITO FINANCIERO] Mr Minister....
[Rapanelli] Don't call me minister. Just call me Rapanelli.

[AMBITO FINANCIERO] You're going to have to get used to being called minister or, shall we say, Engineer Rapanelli. We aren't going to ask you about the Venezuela affair, inasmuch as President Menem said that it was a case of "a judge who wants to be a star, as happens all over the world." Besides, everybody is asking about it. We want to know about the "BB [Bunge and Born] plan," because there are even suspicions that there is no "BB plan."
[Rapanelli] Why do people think that?

[AMBITO FINANCIERO] Because the real savior of the plan is Minister Jose Roberto Dromi, who was a surprise and was never in the sights of Bunge and Born. Even you didn't know him, and today he's the biggest supporter of the plan.
[Rapanelli] That's true. I didn't know him, and I admit to you that he is one of the biggest and most pleasant surprises of this administration, but the plan exists, and Minister Dromi is doing a good job with it.

[AMBITO FINANCIERO] Does Lawrence Klein's plan exist? It would be nice if you told me, because AMBITO FINANCIERO was the first of the media to announce it and to bring Lawrence Klein's name to public light. Help us by bearing this out.
[Rapanelli] Actually, the plan is not and never was Lawrence Klein's.

[AMBITO FINANCIERO] We're all quite confused. Explain things to us.

[Rapanelli] I'll explain it to you. I don't remember exactly, but 8 or 10 years ago the Bunge and Born economists prepared an economic recovery plan for Argentina. It was put together little by little.

[AMBITO FINANCIERO] If you're talking about 8 years ago, those were the last days of Martinez de Hoz and the era of Lorenzo Sigaut under President Roberto Viola. Is that the case?
[Rapanelli] Yes, more or less. It was extensively developed, and in early 1985 we submitted it as our contribution to President Raul Alfonsin when Juan Sourrouille was making his debut as minister. Dr Alfonsin gave it to his minister and his team. They took a look at it and did not reject it; they said nothing. Let the record show that we gave Sourrouille a complete plan with files on monetary policy, tax policy, and budget policy. The bills had even been drafted. Since nothing happened, we learned that economists are very attached to their own solutions. We believed in our plan, and it was then that we submitted it to Lawrence Klein, a Nobel Prize winner. But that was sort of to lend it a little more solidity, a little more backing. Klein in no way wanted to take the lead in a plan that had not come from him, but he backed it, and this is why since then it has looked like Lawrence Klein's plan, but it was actually older. We put it forth again at a meeting of economists in San Pablo and finally we submitted it at a UN meeting in front of 100 people. We kept it alive and kept updating it.

[AMBITO FINANCIERO] Until you put it before Carlos Menem.
[Rapanelli] We actually showed it to the two candidates before 14 May, Carlos Menem and Eduardo Angeloz' people. What happened is that Angeloz, along with Adolfo Sturzenegger and Lopez Murphy, two very fine experts in my opinion, felt that he had all the plans he needed. The fact is that Justicialism didn't pay much attention it to it either before the elections.

[AMBITO FINANCIERO] You're in touch with Julio Barbaro, Ruben Cardozo, and other Justicialists, aren't you?
[Rapanelli] The Bunge and Born public relations people were. I didn't travel to La Rioja to submit the plan until 18 May, when Carlos Menem was already president-elect. Carlos Garcia Martinez, Juan Bautista Yofre, and I were on the plane.

[AMBITO FINANCIERO] "Justicialist language" was put into the plan on that trip.
[Rapanelli] Of course. We said that higher real wages, as the result of a sudden drop in hyperinflation, could be the "big wage hike" [salariazo] and that higher production to meet heavier demand because of the increase in real wages would be the "productive revolution." So the plan was presented and approved. And well, here we are.

[AMBITO FINANCIERO] Then came the Miguel Roig period. But nothing is clear yet. What prompted Bunge and Born and its economists to draft an economic plan for Argentina 8 or 10 years ago? Patriotism or some company goal? People are confused, especially after

seeing so many people vying almost frantically to be economy minister last Saturday, with Domingo Cavallo, Livio Khul, and Carlos Bulgheroni proposing each other. Since Argentina is in such bad shape, everyone suspects that it could be due to private or business interests.
[Rapanelli] What we did was at all times a contribution to the country. This is why we drafted the plans.

[AMBITO FINANCIERO] I'm not sure about one thing. Your predecessor, Roig, didn't start by studying Domingo Cavallo's plan to halt hyperinflation, did he? Maybe it was just ideas, not a plan.
[Rapanelli] Look, there was a plan from Domingo Cavallo to end hyperinflation. It was a complete plan, not just ideas. One day I didn't attend a meeting, and they submitted it to me in such detail that I asked for an outline to shorten it. Roig may have read it but never applied it. We are indeed analyzing the tax reform section in light of a recent study by the Mediterranean Foundation. Not Cavallo's utopian idea of taxing Argentine assets overseas, but a later tax reform plan. Leonel Massad, a specialist, is also working with us.

[AMBITO FINANCIERO] That's fine. Let's accept that there is a plan. Let's also say that no one is ruling it out today but there are doubts. For example, people don't believe that a country that suffers from hyperinflation can go around talking about higher real wages and spurring demand as soon as August. Most economists doubt this is possible.
[Rapanelli] I'm not an economist, but I think that I know a lot about business after 38 years with Bunge and Born here and abroad. I know a lot about the output-price relationship in a company. I put forth the idea that to me is the key on the "Tiempo Nuevo" program on Tuesday. It's not that I believe so much in pricing agreements or social pacts, except in one respect. If there is an agreement not to raise prices and if wages are increased and demand rises, businessmen will boost output because under the agreement they cannot meet higher demand by selling the same number of units at a higher price.

[AMBITO FINANCIERO] That is an interesting but doubtful empirical, in other words, business principle. The increase in demand will no doubt not be immediate, and businessmen can wait until the agreement against raising prices expires. Besides, selling the same amount at higher prices is possible, but to produce more they have to hire more workers, add shifts, boost imports, and buy a lot more raw materials. They have to have a lot of confidence in where the economy is headed.
[Rapanelli] And why shouldn't they? We're going to restructure the government here. That's where this plan is headed. And if this doesn't happen, I at least won't continue in my post. In other words, Minister Dromi's contribution is going to be fundamental.

[AMBITO FINANCIERO] At the National Roadways ceremony yesterday Minister Dromi said that he's going to touch only the top-level administrative jobs. Congress can also "liquidate" the minister's finest bills, such as the economic emergency and administrative emergency bills. Moreover, I repeat, Minister Dromi was never involved in the original "BB plan."
[Rapanelli] Our plan always had to do with the economy and underlying, structural measures from the Ministry of Public Works and Services.

[AMBITO FINANCIERO] Which was going to be headed by Bordon, the governor of Mendoza. Jose Dromi was a surprise.
[Rapanelli] Bordon had experience from the privatization of Giol. That was interesting. When I met Dromi at a dinner for four weddings, I jotted down some principles for him on a piece of paper. I was with him later at the health care union, which was where Carlos Menem offered him the ministry, and I was astonished there by his plans, which focused mainly on four sectors: YPF [Government Oil Deposits], Railways, Roads, and the telephone company.

[AMBITO FINANCIERO] But Dromi didn't discover them. Argentina has been talking about privatizing them for 30 years. Dromi may, in fact, make progress because Rodolfo Terragno spread some ideas around, not very sound ideas but ideas nonetheless, as minister. The important thing about Dromi is what he knows about government, the drafting of his bills, and his resolve to carry them out.
[Rapanelli] What is also very important is the kind of people Minister Dromi appoints to work with him.

[AMBITO FINANCIERO] Of course. The impression that Dromi gives is of a man who makes skillful moves. He doesn't hesitate like his predecessor Miguel Roig, nor is he negligent like Rodolfo Frigerio at YPF, who instead of appointing honorary personnel in the beginning started out by hiring people at 700,000 australes a month and paved the way for the reaction by Diego Ibanez and SUPE [United Trade Union of State Petroleum Workers], who don't want to lose their privileges. But we can't let them have the ball in the goal area.
[Rapanelli] It's true, there's negligence in the government.

[AMBITO FINANCIERO] Are you aware that there is a great deal of negligence? For example, the high-salary appointments in YPF; the SIDE [Secretariat for State Intelligence] document that attacks the Alfonsin administration and whose figures were correct but whose language cannot be justified from a technical body, and all too many government officials are talking about wage hikes. They're giving the impression that Argentina will become the number one country in the world, that in just 1 month and without anyone sacrificing too much we will have hyperinflation under control. By the way, what was your first contact with the CGT [General Confederation of Labor] like?
[Rapanelli] Fine, proper, but I got the impression that they came not to listen to plans but to make their position known, as its leaders, one after the other, reiterated it in almost the same terms.

[AMBITO FINANCIERO] That must have been so that they could say afterwards: "We told you so," "We

warned you." That always happens. You know, don't you, that curing a country of hyperinflation isn't going to be fun? Carlos Menem is beginning to find out as president. He gives the impression that he isn't very clear about this; in other words, he talks about being unpopular. But at some point you have to take responsibility, do more than just talk about it.
[Rapanelli] I'm prepared to assume all of my responsibility. I can say that I'm very pleased with the support that the president is giving us as his ministers. I'm pleased with my country and how it is holding up in these hard times. Until the election itself on 14 May I saw Carlos Menem as a question mark, but today I see that he has been bold enough to take measures that no one imagined he would at this point in a Justicialist administration. And I'm very glad that he's the one doing it, because if Dr Eduardo Angeloz had won the election, perhaps he wouldn't have been able to carry forward this plan with the people behind him as they are with Dr Menem. But there will undoubtedly be difficult moments. And, well, we're here to see them all through.

* Events Leading to Menem-CGT Split Discussed

33480248b Buenos Aires LA PRENSA in Spanish 27 Jul 89 pp 1, 9

[Commentary by Daniel Lupa: "Is the CGT Breaking With Menem?"]

[Text] Lorenzo Miguel is using a series of careless actions on civil servant wages as a springboard in his bid for political leverage, unquestionably at the expense of, or to deliberately sabotage, the economic plan and its credibility in the immediate future.

What seems to be involved is CGT [General Confederation of Labor] infighting, with its obvious immediate impact on the very structure of the Peronist leadership and, linked to it, Dr Menem's Peronist administration. Consequently, it is not limited to a genuine reaction from the union (it is unlikely that it ever had this purpose), whose structure has been strengthened now that the Alfonsin administration has drafted, passed, and enacted laws to restore "union power."

Contradictory Announcements

One example of the aforementioned careless actions was the way that the 30,000-austral advance in July was handled. Events took the following course: a) At first it was said that the advance would be deducted in 60 and 90 days (from August wages, to be received in September, and from September wages, to be received in October); b) It was next said that the advance would be "voluntary," since it would mean significantly lower wages 60 and 90 days later; c) It was then said that the amount would actually not be deducted and that along with the 8,000 "nonpay" australes it would be added to wages and increased by a like amount; d) It was later whispered that the advance would be deducted in its entirety from wages; e) It was announced immediately thereafter that the deduction would be 75 percent in July and 25 percent in August.

It was not until this final stage that a surprise decree made the decision clear. All that had gone before was announcements and more announcements, consisting in each case of controversial remarks by Economy or Labor officials in front of or behind the backs of labor leaders and even President Menem himself, who was the only one who hewed to the inflexible line that the 30,000 australes would be deducted, albeit without mentioning exact dates.

Appreciable Shifts in Power

While all this was going on and having an appreciable social impact, developments began taking place in rapid succession in the CGT machine, advancing to the point that they have shaped the prevailing state of affairs there today.

At first, after Jorge Triaca was appointed, the gains by the group of the "15" seemed to be an obvious fact. Their pressure on the CGT leadership and their clear-cut domination in the administration seem to be beyond question, by virtue of the presence of an experienced leader like Jorge Triaca.

From that point on, the problem was to find out how the CGT machine could be controlled under the leadership of a man who is an expert only in running confrontational campaigns, as is the case with Saul Ubaldini from the brewery workers union. But when Alejo Farias, the construction workers boss who was Ubaldini's last support from a major union group, was sacked, the CGT secretary general was left all by himself, and Lorenzo Miguel took advantage of this to offer him aid and protection.

The fact is, Farias' removal from the leadership of the UOCRA [Construction Workers Union of the Argentine Republic], which the Labor Ministry itself (Jorge Triaca) finally decided on, handed over "Ubaldini's head to Miguel on a silver platter" (according to a textile union leader). When Ubaldini lost major support after Farias was removed, the CGT weakened considerably, albeit it for a brief time, as two events took place almost simultaneously: a) Ubaldini unfurled the banner of having the CGT secretary general elected by the direct vote of the union rank and file (among whom he retains his only personal power); b) Miguel and Triaca, going over the heads of the official CGT authorities, became the real spokesmen of union power as representatives of the "62 organizations" and the "15."

Miguel Hastens the Split

Given the quick pace of events over the past 3 weeks, however, this led to an attempt by these two real spokesmen to define their own power in light of their individual operating bases.

The widespread discontent over the rise in the cost of living, clearly compounded by the imminent discontent over the big rate hike, the effects of which will begin to be felt this week, made this the right time for Miguel to try and settle matters with his circumstantial allies of a week before, when they left Ubaldini in his hands so that he could again head the CGT.

Wages have once again been the launching pad. Strictly speaking, the operating base has been the metalworkers agreement, but with an eye towards the careless way the wage advance of up to 30,000 australes was handled.

The extent to which this panorama has been an excuse can be seen by breaking down and analyzing each of these two developments. The negotiations with the metalworkers started with the demand for a 200 percent boost in July, 15 percent in August, and 3 percent in September, if the announcements attributed to Minister Rapanelli (who may not have made them in that form) were to be borne out in those months and in those percentages.

The metalworking industry made the counterproposal of a 122 percent raise. If to this percentage we add the 8,000 australes tacked on to wages by national-government decree, which comes to around 18 percent of the average metalworker's current wage, we have a counterproposal of 140 percent. This means that the brusque break-off of the talks is seemingly not in keeping with the tradition of "give and take" in management-labor bargaining (and Lorenzo Miguel, the negotiator par excellence, knows this all too well). The 60 percentage point gap could have been halved to yield a raise of 170 percent, which in the final accounting is slightly more than the 150 or 160 percent that the government has given its employees.

The fact that this caused the management-labor negotiations to be called off, without alternatives being explored, is the clearest sign that Miguel's strategy is to take a hard line that will bring his supporters together at a time when the hefty rate hike and the confusion over the mishandling of the wage issue are enabling him to broaden his own political elbowroom.

Menem Reacts

It was then that the CGT once again acknowledged the active, behind-the-scenes presence of Lorenzo Miguel. The "15" sensed this in a way too, and in the very heart of the Labor Ministry pulses began to quicken, indicating that things were starting to heat up in relations between the two union powers: the "15" and the "62," the former allied with the Menem administration and the latter prepared to take advantage of its missteps or of the difficulties implicit in the situation into which Alfonsin had plunged the country, so as to enhance their own power.

Without giving it a second thought, given the obvious offensive against "his people," the nation's president made ready to involve himself. His most noticeable reaction, without question, has been to let Miguel know that he could lose the good graces of the caudillo in power. And he did so in a forceful way: by appointing Jose Rodriguez, the head of the Trade Union of Mechanics and Related Automotive Transportation Workers (SMATA), as his personal adviser for union affairs, and to make matters worse, with the status of a cabinet secretary.

This "slap in the face" of the veteran CGT metalworkers leader is nothing short of unthinkable. SMATA is the "blood rival" of the UOM [Metalworkers Union]. For the last 15 years they have been vying for the union dues of gasoline stations and some car repair shops. There was a national strike and a prolonged "union war" over this issue in 1975.

When Menem, long before taking office, wanted to appoint Jose Rodriguez labor minister, Ibanez and Miguel angrily traveled to La Rioja to throw all of their weight against his designation. Triaca's name thus emerged with the blessing of all.

Rodriguez' presence right alongside Menem now means an official break in Miguel's eyes and a warning to which he will not be able to turn a deaf ear.

The picture that we have painted is not much different from the one that prevailed in 1975 and 1976, when the UOM pushed for the 150 percent wage hike "after the Rodrigazo" [package of economic measures ordered by Rodrigo], which led to the hyperinflation that we all know about. So where will this break with Miguel now lead, amid the country's worst case of hyperinflation, a result of the Alfonsin administration? Is he is out to get Minister Rapanelli, as the left and the Alfonsin people were with the famous charges that originated in Caracas?

* State-Owned Firms Show $5.5 Billion Deficit

33480248c Buenos Aires AMBITO FINANCIERO in Spanish 18 Jul 89 p 7

[Text] "Based on June figures, the deficit this fiscal year for the state-run companies as a whole has been upped to $5.5 billion." This was revealed yesterday at a press conference by the minister of public works and services, Jose Roberto Dromi, who said that the YPF [Government Oil Deposits] deficit stands at $1,026 billion; the Argentine Railways (FA) deficit at $500 million; SEGBA [Greater Buenos Aires Electrical Services] at $430 million; State Gas, $410 million; Entel [National Telecommunications Enterprise], $405 million; Water and Power (AE), $330 million; Hidronor [North Patagonia Hydroelectric Company], $110 million; Encotel [National Enterprise for Mail and Telegraph], $77 million, and YCF [Government Coal Deposits], $27 million, among others.

Operating Deficit of State-Run Enterprises
1989 Budget, Adjusted to June 1989 Commercial Dollars
(Report of Outgoing Authorities)

	YPF	FA	SEGBA	Gas	Entel	AE	Hidronor	Encotel	YCF	OSN [National Sanitary Works]
Income	1,774	150	220	350	545	270	21	121	28	73
Expenditures	2,800	650	650	560	940	600	131	198	55	95
Bottom Line	(1,026)	(500)	(430)	(410)	(405)	(330)	(110)	(77)	(27)	(22)

The situation is one of "anguish," the minister said, adding that the government always pays its debts and that if these enterprises were in the private sector, they would be in bankruptcy proceedings or liquidated. To give graphic examples, he said that his ministry's telex machine is not working because it has not paid Entel; Roadways has had its assets attached and was unable to pay the 8,000 australes in nonpay compensation to its staff; SEGBA did not have the money to meet the same commitment, besides other similar situations, adding that "40,000 multimillion-austral suits are pending against the government," which has recoverable debts of $1 billion.

The minister expressed confidence that the administrative-emergency, government-reform, and economic-emergency laws would be fitting tools to begin the process of change, "something that previous governments invariably attempted but failed in," Dromi asserted. "We have begun by eliminating the Directorate of Public Enterprises and by appointing government auditors in the various bodies, thus saving 150 directors. We will resort to privatizing, franchising, provincializing or municipalizing services and utilities, while enterprises may either merge or go out of business."

Privatization may be peripheral or complete, the minister continued, while franchising includes the transfer of the service to private individuals, with the government setting rates, as in the case of roads and even railway branches. Provincialization will enable the various provinces to operate the roads with financing from the roadway fund based on the fuel tax. Meanwhile, there is nothing to prevent the municipalities from also operating the services that Sanitary Works performs. As for mergers, a national hydrocarbons enterprise could combine the functions of YPF, YCF, and State Gas, and an energy enterprise could comprise the activities of SEGBA, Water and Power, and Hidronor.

As an example of closing down enterprises, Dromi stated that the services that Buenos Aires Catering provides to Argentine Airlines could be supplied by the private sector; a competitive bidding would be the idea here. Interpetrol, which is in charge of the international marketing of oil, is in the same situation. In this case, he asserted, the government could sell off its shares, and interested private parties could become involved.

Rates for Government-Provided Goods and Services

As for the overall economic program, Dromi indicated, it is supported by the rate policy (which he agreed was tough but necessary) and the wage and price proposals. Headway has been made on these policies, but the budget proposal has yet to be put forward: "Work is being done on it, but there is nothing definite yet," he asserted. Getting back to the rate policy, "which will be maintained for at least 90 days," he said that a "severe adjustment" was necessary, given that the practice of letting rates decline had "bankrupted" the enterprises, and that there was no reason either to keep on "subsidizing the price of fuel."

The outlook is not at all promising, Dromi asserted, making it known that there are serious problems with electric-power supply.

In answer to a question, he emphasized that "layoffs are not expected at the middle and lower levels of the state-run enterprises, but a criterion of doing without will be applied at higher levels."

At this point the minister yielded to the secretary of transportation, Miguel D'Alessandro, who in referring to the railways summed up its operating ratio by noting that "for each austral that the enterprise takes in, 2.2 australes go out," hence the losses of $2 million a day. He described as fair to poor 54 percent of the 35,700 km of tracks, noting that 400 of the 998 locomotives are out of service, that 11,000 of the 95,000 agents are in management, and that the 61 managers will be cut back to 15. Some 16,000 suits have been filed against the railway for a total of $200 million.

As for ELMA [Argentine Shipping Lines], D'Alessandro continued, it has debts to the banking system of $90 million; a total of 692 labor suits have been filed against it, as well as suits for damages and losses in the amount of $130 million, suits for warehouse theft in the amount of $200 million, and freight and delay claims in the amount of $31 million. In response to a question, he admitted that investigations were under way into 460,000 free railway passes (with cards) and between 10,000 and 15,000 in Argentine Airlines, in the form of tickets.

Dromi spoke up once again to indicate that the airline has 1,250 overseas employees who are paid in dollars. For example, there are 45 in Rome alone, 35 of them Italian.

who will no doubt be hit by the cost-cutting policy. He noted that some railway routes could be temporarily shut down in order to cut the operating deficit. Lastly, the minister commented that once the basic laws have been passed, the first privatizations of state-run enterprises could come through in 4 or 5 months.

1989 Budget
Including Capital Expenditures, in Relative June 1989 Prices (Information From Outgoing Authorities in Millions of U.S. Dollars as of June 1989)

	Total	Energy	Transportation	Communications
Total income	4,508	2,640	1,078	790
Total expenditures	10,088	6,560	1,670	1,860

* Signs of Social Unrest Reportedly Reemerging

* Utility Hikes 'Unbearable'

33480249 Buenos Aires CLARIN in Spanish
27 Jul 89 p 12

[Article by Ruben Chorny]

[Text] Not even Renny Harlin's movie "Pesadilla" [nightmare] or the furious round of markups that preceded the price agreement signed by some 100 leading companies managed to sow terror in Argentine households the way the light and gas bills did when they began to arrive this week.

The 25,000-austral bills that some gas users received seemed like something from more prosperous times, considering that they rarely lit the heater during this mild winter and used little hot water; yet they were double the amount of the fall bimonthly bills.

And the Greater Buenos Aires Electrical Services (SEGBA) has not even come on the scene yet; most of its 4 million customers will receive billings amounting to 11,000 australes and up.

If many distressed consumers were unable to meet bills amounting to less than 2,000 australes (the companies admit that some are in arrears, but neither SEGBA nor State Gas knows how many), what will happen when they see so many zeros in the total box?

Arrears

The unrest that has begun to spread among the population as a result of the new rate schedules has raised fears that there will be widespread nonpayment as customers realize the true impact of the rate hikes. No one seems to be placated by the Energy Secretariat's offer to accept payment in two installments—neither the people who are buffeted by the brutal erosion of income that has been unleashed this year, nor Economy Minister Nestor Rapanelli, who protested firstly because the doubling will put off the balancing of the budget and secondly because businesses had not been included in the payment plan.

Adjustment

The head of SEGBA himself acknowledged that this herculean adjustment effort that is being asked of the public will barely cover operating expenses. In the next 2 months, treasury aid will be required to cover further expenses (it would be something like taking an additional rate hike out of the well of taxes), and any investments made for the purpose of preventing future blackouts will have to come from foreign loans.

The 120-percent deficit predicted by Public Works and Services Minister Roberto Dromi before taking office was dwarfed by the huge shortfalls of 200 to 1,400 percent that appeared as soon as the new administration took over. So far this year, intermediate users of gas and light (those who use between 500 and 600 kwh or cubic meters per bimonthly period) have faced increases of 2,600 percent for a service that fails when it is needed most, as demonstrated by the permanent blackout programs.

Winter Consumption

Cost specialist Alberto Abbate shows in a study that for a family that has consumed 250 cubic meters of gas during the previous bimonthly period for 575 australes, merely using a heater plus the boiler and the oven could double consumption and thus raise the gas bill by 2,700 percent. The so-called typical level of 250 cubic meters does not actually reflect minimum hot water needs for doing laundry and dishes, personal bathing, preparing meals and beverages, and moderately heating the house of an austere family that works outside the home.

Customs

The average selected for electricity consumption does not represent popular customs, either, because ironing, lighting a room with two small lamps, operating a refrigerator (without freezer) and a television (without VCR) requires 260 kwh per bimonthly period. Most consumers use between 400 and 600 kwh, according to SEGBA billings, and with good reason.

It was precisely that category of users that suffered from the greatest rate hikes. Between electricity and gas, bills for most households will add up to more than 25,000 australes. Even if payment is made in two installments, people who receive a mere 20,000 to 30,000 australes in their pay envelopes will feel a severe crunch.

Bills Then and Now
Electricity (in australes)

Consumption (kwh)	Previous Billing Periods 6/1 to 6/27	6/28 to 7/17	7/18 to 7/30	Next billing with raises
0	138	157	189	1,132
80	138	157	189	566
125	214	244	293	1,000
170	290	330	396	1,435
250	425	484	581	2,209
430	1,409	1,646	2,092	11,506
600	2,339	2,743	3,519	28,704
800	3,433	4,034	5,198	49,300
1,000	4,527	5,325	6,876	70,016

Gas (in australes)

Consumption (cubic meters/ bimonthly)	Previous Billing Periods 6/1 to 6/27	6/28 to 7/17	7/18 to 7/30	Next billing with raises
60	280	309	402	1,205
90	327	375	487	1,534
150	420	507	658	2,184
250	575	727	945	3,271
400	1,208	1,601	2,125	12,704
600	2,051	2,766	3,698	25,289
800	3,013	4,209	5,719	41,458

Source: calculations made by specialist Alberto Abbate, based on data from SEGBA and State Gas.

* Lack of Resources Cited

33480249 Buenos Aires CLARIN in Spanish
29 Jul 89 p 4

[Text] The head of the Health and Social Action Ministry, Julio Corzo, reported yesterday at the conclusion of a meeting of ministers at the Government Palace that the ministers had considered the feasibility of "streamlining social programs as much as possible, as they are highly disturbing." He admitted that the possibility of social upheaval "is latent, and a source of constant concern to us."

Corzo made these statements after participating in a meeting of ministers at the Government Palace. Defense Minister Italo Luder was the only cabinet member missing from the meeting, which was chaired by Vice President Eduardo Duhalde in the absence of the chief of state, Carlos Menem.

The minister announced that next week "the medication plan will begin, providing coverage for more than 6.5 million people."

He explained that the plan includes public, national, provincial, and municipal hospitals, and that special prescription pads will be used. The pads are being printed up at the mint. "At a ceremony to be held soon in the White Room of the Government Palace, President Menem will announce the implementation of the medication plan," he indicated.

After admitting that the possibility of social upheaval "is latent, given that the signals we are receiving in that regard are highly disturbing," he stated that there is great concern. He noted that it is hoped that "the programs we intend to implement will act quickly and effectively" to alleviate the crisis.

Lack of Resources

Along other lines, he reported that the Secretariat of Housing is working actively to put into effect the so-called Solidarity Housing Plan, but he acknowledged that the "lack of resources" is preventing the project from moving ahead as quickly as anticipated.

Nevertheless, he expressed optimism about the results of the plan for "solidarity housing," and indicated that it is necessary for "people to have access to a valued asset, housing," as quickly as possible.

Vice President Eduardo Duhalde, for his part, asserted after the meeting that Congress has "an obligation to complete as soon as possible" its processing of the emergency and government reform laws, because otherwise "there will be no possibility of emerging from this crisis."

Duhalde stated that "so far the only thing that has been done is a rate adjustment, which is falling heavily on the majority of the population."

* Public Outcry Growing

33480249 Buenos Aires CLARIN in Spanish
26 Jul 89 pp 2-3

[Text] The first gas and electricity bills to arrive after the whopping rate hike imposed by the current economic

team raised a wave of protest among customers. For many, the bills amount to almost their entire salary.

Many complaints were aired, beginning Monday, at State Gas' Avellaneda headquarters. The customers came in thinking it was just a billing error, but their doubt turned to displeasure when they were told: "The only possible mistake is that the meter was read wrong; otherwise, the computer doesn't make mistakes, and the corresponding bill is correct."

The working-class neighborhood of Pineyro has been in an uproar since Saturday, the day the bimonthly bills, due on 2 August, began to be distributed.

There are some dramatic cases, such as that of Rodrigo Ayala, living at 101 Entre Rios. His previous bimonthly bill totaled 367.63 australes for 205 cubic meters, and went up to a mere 19,592.54 australes for 509 cubic meters.

Ayala explains his natural distrust: "According to the bill, the meter was read on 10 July, the day the rates went up. My question is whether the rates aren't retroactive, because I used gas until 10 July, when gas was worth much less. I think they are billing me too much. Besides, on what I make, it's impossible to pay. I won't do it. It's a rip-off."

At the branch office of State Gas, the official in charge, Luis Marchi, was also at a loss to answer Ayala's question, conveyed by CLARIN: "I really don't know how that was applied, because I don't know what the regulation says, whether it is supposed to charge at the current rate for all the gas used. Everything having to do with the rate should come out of the press and information office of central headquarters."

The official very kindly observed that the complaints heard about the new rates since Monday are understandable: "You don't even know how much you earn. Everything's like that. There may have been an error in reading the meter, but the rates that are charged are those currently in effect."

When the reporter persisted in asking about customer Ayala's bill, which reflects an increase in calorie consumption of 148.3 percent from one bimonthly period to another, but an increase in the amount to be paid of 5,230 percent, Marchi apologized for not being able to go into detail, but "everything having to do with rates is handled at headquarters. Here we can only report the rates per cubic meter: from 0 to 60 cubic meters, 4.17 australes; from 60 to 250, 7.37 australes; from 250 to 600, 42.64 australes; and over 600 cubic meters, 54.80 australes, to which taxes must be added."

The complaints were coming in faster, and in each case people suspected they had been charged incorrectly for gas at the 10 July rate when they had used the gas prior to that date.

In addition, of course, there was the disproportionate increase, much higher than the "500 to 600 percent for heavy use" that had been announced so many times, as Ayala said.

Another case is that of Costantino Samartino, who lives at 100 Galicia, Avellaneda: "The previous bimonthly period I paid 195 australes for 222 calories; now, for 596 calories, I have to pay 23,397 australes. I ask you, how can you do that?" he wanted to know.

A woman who owns a factory also complained and said she was thinking of shutting down: "The last bimonthly period, I paid 4,986 australes for 2,084 cubic meters; this time the bill is for 130,000 australes for less gas, 1,653 cubic meters."

In Pineyro, the arrival of the bills prompted people to come to the dramatic conclusion that they were simply impossible to pay, and that it would be preferable to return to kerosene.

Gladis Mariscotti tearfully confessed: "I'm retired, I live at 63 Entre Rios, and I've been crying since Saturday. I know I can't pay, and I wonder if (Carlos) Menem knows what's happening. I've been fighting for this all my life, just to be worse off than before. They told me at State Gas that I should pay now and protest later. I can't pay, and I don't plan to."

The woman cited more examples: "Here in the business district people are determined to close down. The La Italiana pizzeria has to pay 206,000 australes (it used to be 6,000), the jewelry store 22,000 (500), the Union Club 103,000 (4,500 before), and so on. We think there's a mistake, because the percentages are much higher than the authorities said. I had faith in this government in spite of everything until Saturday, but now I'm discouraged," said Mariscotti.

Refusal

A neighbor standing beside her snorted: "I just heard on the radio that Minister Eduardo Bauza admitted the possibility that utility bills may be paid in two installments. I won't even pay that amount in 100 installments, because it's not right. The only way I'll pay is if they raise my pay by that much. If we all do that, the authorities will have to rethink their position," he declared angrily.

Finally another woman, Maria Prado, said: "It's almost an obligation for State Gas to publish in all the newspapers, beginning tomorrow, the rates you have to pay for every 10 cubic meters, like they do with the taxi fares. Besides feeling cheated, people have to stand in line for hours in the cold, and the employees give evasive answers."

* Record Unemployment

33480249 Buenos Aires CLARIN in Spanish
27 Jul 89 p 14

[Text] Unemployment and underemployment in the entire metropolitan area amount to nearly 740,000, the highest figure in history, according to the ongoing survey of households by the National Institute of Statistics and Census (INDEC) for the month of May.

The official poll, conducted in the Federal Capital and the 19 districts of the suburban area, reveals that out of a total population of 11 million, 41.8 percent, approximately 4.6 million, are employed.

Percentage

Unemployment amounts to 7.7 percent of the labor force, meaning that some 354,000 people are out of work. Of that total, youths aged 15 to 19 are the most seriously affected, while there are fewer women unemployed. Similarly, of all jobless heads of household, men outnumber women, while heads of household between the ages of 20 and 34 are the least able to find work. Thus, of the total number of unemployed workers, 30 percent are heads of household. There are disparities in the jobless rate among the different types of activity; unemployment is greatest in the construction sector, at 12.5 percent; it is 6.8 percent in commerce, 5.8 percent in manufacturing, and 4.6 percent in services.

The INDEC report also emphasizes that the underemployment rate reached 8.3 percent of the labor force, which means that about 382,000 people are working fewer than 35 hours a week and would like to work more.

As for sectors, services employ 33.3 percent of all employed workers; the manufacturing industry accounts for 25 percent, commerce 18.7 percent, and construction just 6.5 percent; the remaining sectors employ 16.5 percent. In this regard, it should be noted that 69.4 percent of the employed population are wage earners, 24.4 percent are self-employed, and the remaining 7.2 percent are employers and nonsalaried workers. The services sector has 34.4 percent of all wage earners, while industry has 28.9 percent, commerce 13.8 percent, construction 4.6 percent, and others 18.3 percent. As far as the self-employed are concerned, 34.5 percent of them work in services, 28.4 percent in commerce, 12.9 percent in industry, 12.5 percent in construction, and 11.7 percent in other sectors.

* Reform of Hydrocarbons Law Announced

33480257a Buenos Aires CLARIN in Spanish
30 Jul 89 pp 22-23

[Text] The industrialization of natural resources at their point of production, participation by the provinces in petroleum exploration and production together with private companies, and turning over to the provinces areas which are not fully exploited by the YPF [Government Oil Deposits Company] are the principal changes proposed in the Hydrocarbons Law. This was stated on 29 July in Comodoro Rivadavia by Julio Cesar Araoz, the secretary of energy.

At the meeting held on 29 July with governors of the hydrocarbons-producing provinces, the secretary of energy outlined the principal points contained in the draft Hydrocarbons Law to be submitted to Parliament. At the same time the secretary outlined "a political decision to centralize decisionmaking on energy policy at the federal level." For this purpose he will also send draft legislation to Congress providing for the establishment of a Federal Energy Commission.

In speaking to the governors attending the meeting in Comodoro Rivadavia, Araoz stated that the government's petroleum policy is based on the need to increase production, reserves, and exports, strengthening the Government Oil Deposits Company (YPF), and broadening private participation in the petroleum industry.

The provincial governors expressed their support for the petroleum program presented by Araoz and approved the proposed changes in the Hydrocarbons Law.

The following provincial governors were present at the meeting held on 29 July in Comodoro Rivadavia: Nestor Perl, Chubut; Pedro Salvatori, Neuquen; Jaime del Val, Santa Cruz; Hernan Cornejo, Salta; Vicente Joga, Formosa; Horacio Massaccesi, Rio Negro; Jorge Ahuad, La Pampa; and Octavio Bordon, Mendoza.

The secretary of energy, who was accompanied by Ruben Maltoni, assistant secretary of energy for fuels, informed the provincial governors of "the political determination of the national government to make decisions on energy policy at the federal level."

Araoz added: "To accomplish this purpose, a draft law will be sent to Congress to establish the Federal Energy Commission, on which the permanent, provincial representatives will advise and plan national energy policy."

Proposed Changes

The changes proposed in the Hydrocarbons Law which will be sent to Congress were outlined in preliminary form on 29 July by Julio Cesar Araoz, secretary of energy.

The principal points in the draft bill raised with the governors of petroleum producing provinces included:

- The development of petroleum-based industry at the points where oil is produced.
- Participation by the provinces in petroleum exploration and production.
- Delegation of supervisory powers to the provinces.
- Allocations of funds in the form of anticipated royalties from the auctioning of petroleum resources from marginal areas.
- Turning over to the provinces petroleum areas which are not fully exploited so that by auctioning them off, the provinces, in conjunction with companies from the private sector, may exploit them more fully.

Together with the foregoing initiative, Araoz said that a draft bill to change the Hydrocarbons Law will also be sent to Congress. This bill is intended to ensure greater, active participation by the provinces in petroleum exploration and production.

Areas Not Fully Exploited

Among the proposed changes are turning over to the provinces the areas not fully exploited by YPF, so that the provinces might exploit them together with private companies, and the allocation of resources obtained from the sale at auction of petroleum reserves in marginal areas by the federal government.

Prior to the meeting with Secretary Araoz the representatives of petroleum producing provinces, which belong to the Federal Organization of Hydrocarbons Producing Provinces (OFEPHI), agreed to support the restoration of provincial property rights over natural resources and hydrocarbon deposits in particular.

The position of the provinces, expressed in a joint statement, raised the claim of "the proper participation of the producing provinces, both in the exploration as well as the exploitation of petroleum areas." At the same time they called for "the automatic collection of gas and petroleum royalties in terms of international prices."

Regarding this question, last week the members of the OFEPHI called on members of Congress to set the payment of petroleum royalties as a function of the average, international price of crude oil, instead of the internal price, which is used in the draft economic emergency bill which the executive branch sent to Congress.

At the meeting held in Comodoro Rivadavia, technical and professional figures associated with the OFEPHI agreed on requesting "subsoil rights" for the provinces, without prejudice to the powers of the federal government to set policy in the petroleum sector and the necessary role of the YPF regarding existing concessions.

For his part, Octavio Frigerio, controller of the Government Oil Deposits Company (YPF), indicated that "the country will have evidence of what can be done in terms of the natural gas and petroleum industry in no more than 90 days."

Frigerio said that "the reactivation of the petroleum industry is a task which can begin to be resolved in an immediate way." He pointed out that "all of the petroleum areas, and Patagonia in particular, will show signs of this revitalization."

The official in charge of the state-owned petroleum company said that we should move forward with "a national attitude of change" to ensure "the resumption of YPF activity, including providing more investment and modernizing the company."

He considered that "the role of private enterprise will be parallel in its growth to that of the YPF, because in this country there is no financial possibility of strengthening state enterprises with state resources."

For its part the Chamber of Commerce, Industry, and Production of Comodoro Rivadavia expressed its support for the process of the revolution in production which "reserves a preponderant role for the energy sector, where petroleum is a key element."

* Private Oil Firms Want Greater Participation

33480257b Buenos Aires AMBITO FINANCIERO in Spanish 31 Jul 89 p 7

[Text] Secretary of Energy Julio Cesar Araoz held a meeting this weekend with the governors of petroleum producing provinces at which he assured them that the new Hydrocarbons Law will consider some of the claims made by those provinces. However, he did not provide any greater detail about the matter. Meanwhile, for the first time in the past few years the Chamber of Argentine Petroleum Companies began a public offensive on 28 July demanding "fewer delays" and more participation in the drafting of the new legislation.

In Comodoro Rivadavia Secretary Araoz told the governors of the oil producing provinces that the new law will provide for the industrial development of petroleum resources at their point of origin, the delegation of supervisory powers over the petroleum industry to those provinces, the possibility of their participating in petroleum exploration and exploitation together with private companies, and the transfer to them of petroleum areas not fully exploited.

For it to be approved by Congress the new Hydrocarbons Law necessarily will have to satisfy some long-standing claims by the provinces. If this is not done, the new legislation will not be able to count on the votes of the members of Congress who represent those provinces.

Bearing in mind that from the point of view of the Justicialist party government a new law is important for the political support which it would signify, the efforts of Secretary Araoz to obtain provincial support is understandable. Nevertheless, two of the principal provincial demands will be difficult to satisfy fully, for example, the automatic receipt of natural gas and petroleum royalties calculated in terms of international prices; broad powers of supervision over existing contracts with the private sector, whose continuation the provinces wish to ensure; and the expansion of local production, in order to avoid losing income from royalties.

In exchange for what these two points involve, although set out only in rough form in the law, Secretary Araoz has committed himself to other aspects which are of interest to the provinces. However, in practice, even when they appear in the law, these matters will depend on specific political and economic decisions, such as the industrial development of natural resources at their point of origin.

Meanwhile, the Chamber of Petroleum Companies stated that it had "doubts" about the implementation of the statements made by the government. It stated that monitoring the Houston plan will take about 40 days and that "this procedure means a delay, because new contracts will not be signed" until it is completed.

More directly, Luis Rey of the Pluspetrol Company said that the role in the Houston monitoring effort "of a trade union which traditionally has opposed the participation of private capital" was "a bad sign for the opening up of the petroleum industry."

At the same time Vicente stated that if the government wishes to auction off marginal areas belonging to the YPF, it should group them into blocks of 300 to 400 square km and auction them all off together, not a few at a time.

He also stated that originally the chamber preferred a system similar to the Olivos plan for those areas. (That is, the YPF would buy the petroleum produced by the contractor at 80 percent of the international price.) He declared that "If they are going to sell reserves as they say they will, they will have to adopt the principle of free disposability. If they do not do this, they will have to repay the contractor in freely convertible foreign exchange."

Expressing the same view, Jose Aceiro of the Bridas Company said that "no one will put money into reserves which are not freely disposable."

The message of the private Argentine companies is clear: they want the decisions to be made quickly and they insist on not being ignored before decisions are made, which is happening now, at least partially. These companies, which were once consulted extensively by President Alfonsin, also apparently fear that the promised opening up of the petroleum sector will mean more room in relative terms for the international companies.

* Oil Export Bids To Generate $350 Million

33480257c Buenos Aires AMBITO FINANCIERO in Spanish 27 Jul 89 pp 2, 41

[AMBITO FINANCIERO interview with Octavio Frigerio, controller of YPF; date and place not given]

[Text] [AMBITO FINANCIERO] At the meeting with the president the subject of prefinancing petroleum exports was defined, according to some of the participants.

[Frigerio] It was decided that the YPF [Government Oil Deposits Company] would call for international bidding on the basis of the need to export prefinanced petroleum products. The object is to ensure the export of petroleum products worth $350 million. These proceeds will be on hand in the country by the end of August. If several invitations to bid are issued—and this has not yet been decided—the first of them will be for $50 million, but all of the invitations to bid will be issued in August.

[AMBITO FINANCIERO] During the last few days before this administration assumed power there was talk of at least two interested groups, one of them led by Citibank and the other by ENI [Italian National Hydrocarbon Company]. Are you talking about something else now?

[Frigerio] In an invitation to bid of this kind, which is very common in the world, international "trading" consortia take part. They have to find bank financing. In this case YPF is inviting bids which Interpetrol, a company in which it holds 49 percent of the stock, or any other private "trading" consortium, or even another "trading" consortium in which YPF may participate in the future may win. That is, at the same time that this bidding process is going on, YPF will auction off its participation in other "trading" consortia with the same percentage which it now has in Interpetrol.

[AMBITO FINANCIERO] What is the criterion for the award?

[Frigerio] In general terms (because the details have not yet been decided) the winner will be the bidder who requires a smaller amount of petroleum products for the same amount of money.

[AMBITO FINANCIERO] Will crude oil be included among the products for which bids are invited?

[Frigerio] That has not yet been decided. In principle we are thinking more of petroleum products, and the proportion of each one will depend on the quantities available of a given product at a given time.

[AMBITO FINANCIERO] What will be the delivery period for the products and what will be the price?

[Frigerio] The deliveries will take place over a period of 18 months—24 months at the most. It has not yet been decided if there will be a fixed price. That is, an initial or a variable price, depending on the evolution of the international market. In terms of an initial price this will also have an effect on determing the outcome of the auction.

[AMBITO FINANCIERO] This seems to leave very little time for assuming that the foreign exchange will be available in this country by 30 August.

[Frigerio] These are matters which are decided very quickly, because there is a great deal of international experience. At this time the Office of the Assistant Secretary of Energy for Fuels is preparing the specifications, which will be announced in a few more days.

[AMBITO FINANCIERO] Judging from the list of participants at the meeting with the president, the various views on petroleum policy must have been brought up.

[Frigerio] In general, petroleum policy is not a matter for different opinions. It is the responsibility of the minister of energy and of President Menem. However, and, furthermore, in general there is little difference of opinion. For example, the concern of SUPE [United Trade Union of State Petroleum Workers] could only attract general agreement that the greatest possible private participation in petroleum activity should be accompanied by adequate compensation to YPF for its

assets, which in the first place are its reserves. Furthermore, Ibanez himself stated that YPF costs are comparatively more advantageous, when compared with those of the private firms. As a result, in my view, the discussion took place in realistic terms. This was not an ideological debate.

Problem

[AMBITO FINANCIERO] The problem is that there already is a certain feeling that the plans for petroleum are slowing down again.
[Frigerio] At the meeting I pointed out that the success of the plan and the speed at which it is implemented come down to the same thing because of the need for investments and beginning our economic recovery. It is also necessary to present the country with a new image which will attract not only petroleum investors but also those interested in other forms of activity. Regarding the trade unions, I also emphasized that they need to avoid leaving the impression of causing premeditated delays. And finally the president demanded urgent results. He pointed out that he is a practical man who is guided by checking the facts and that in his view there is no reason to change a policy of having a state monopoly of the petroleum industry.

[AMBITO FINANCIERO] Nevertheless, prior to 15 August the present authorities in the energy field promised, for example, that within 30 days invitations to bid on marginal petroleum areas would be issued. However, this still seems to be a very far-off project.
[Frigerio] Because of the magnitude of the crisis there is an urgent need for action. Any delay is wrong and leads to additional costs. However, I would say to you that we are close to accomplishing everything which we planned to do. For example, finishing the monitoring of the areas under the Houston plan to complete the so-called fifth and to invite bids on marginal areas with a view to selling reserves, permitting not only production but also exploration of the areas, and including as a payment option the free sale of the crude oil produced. The draft Hydrocarbons Law is almost ready and will go to Congress within 10 days. We are also working on a resizing and restructuring project which will keep YPF as an integrated company and, at the same time, will prove or disprove the suitability of privatizing a series of peripheral activities which, in state and multinational companies elsewhere, are handled under contract and not directly administered by the companies. For example, drilling on land and "off shore."

We are also studying the possibility of privatizing YPF factories and plants which are now obsolete and which the state company does not have sufficient resources to modernize.

[AMBITO FINANCIERO] It is said that for YPF to avoid falling into bad practices again it will be necessary to make a study of costs.
[Frigerio] The fundamental consideration is cost. The practical difficulty which I am facing is that a project of this nature has never been considered here. Therefore, there is not enough information to serve as a basis for decision. It is not that I am opposed to privatizations. However, I have to prove something which I merely assume is the case: whether it is a good idea to move forward with privatizations. Furthermore, the other problem is who will handle such a process. I believe that, just as it happened in other countries in the world, it could be that the workers and employees of YPF, organized in various associations, could engage in business activities.

[AMBITO FINANCIERO] You seem really convinced that things will be done quickly. Are you worried that Congress will have to approve a new Hydrocarbons Law?
[Frigerio] There are very strict limits for the presentation and consideration of a law. The draft bill is broad and adequate in scope and, although it would not be necessary to change the present, legal framework, a new law will provide the YPF and the Ministry of Energy with significant, political support. Furthermore, the draft bill makes explicit the possibility that the YPF could associate itself with another company in any aspect of its activities, including the principal ones.

Association

[AMBITO FINANCIERO] Will the question of some form of association in the principal areas of its activity be a part of a second stage of the plan?
[Frigerio] There is no reason why these things should not happen simultaneously. The firmer and more complete the policy, the easier will be the negotiations with private capital.

[AMBITO FINANCIERO] Were you really mistaken when you said that you would call in the so-called fifth part under the Houston plan, which is among the powers of the Ministry of Energy, or did you want to gain time?
[Frigerio] It is clear at this point that the Ministry of Energy formulates policy and that the YPF is an arm for executing that policy. However, in the specific case of the so-called fifth part, it is also understood that the YPF prepares the specifications for the invitation to bid, and the secretary of energy issues it.

[AMBITO FINANCIERO] You also signed contracts very quickly.
[Frigerio] My intention was and will continue to be that when the monitoring of the Houston plan is completed, and this is being done by a committee of the Ministry of Energy, we will terminate pending contracts from previous invitations to bid. The seven contracts, to which three others will be added, relate to what were called deserted areas in the second and third bidding competition. They were considered by all elements in the companies, and after I signed the contracts, the companies were obliged to carry them out over the broad range of activity which the present law requires until signature by the president. Once this point of balance is past, my intention is to dispose of those contracts quickly, as well as the 26 contracts left over from the fourth bidding

competition. Furthermore, in the case of the direct awards, since they deal with deserted areas in the competitions, there was prior approval by the previous minister of energy to begin the negotiation.

[AMBITO FINANCIERO] What level of production will the country need to reach to meet the exports to which we are committed and ensure self-sufficiency in the supply of petroleum products if, later on, we cannot count on part of the petroleum produced by private companies because of the financial difficulty in buying it?
[Frigerio] In the first place, Argentina is not a country which is self-sufficient in petroleum products. If we have to satisfy export requirements and the expanded domestic demand which will result from the revolution in production, it would be necessary to produce a great deal of petroleum. However, it is not certain that we cannot buy petroleum under the contracts. If there is a criterion which a company may decide for itself, the products which are exported are the property of the YPF. The $350 million come into Argentina as foreign exchange, but the australs used to purchase these products belong to the company.

Bolivia

Interior Minister Comments on U.S. Drug Plan

PY0709020789 La Paz La Red Panamericana in Spanish 0000 GMT 7 Sep 89

[Text] Interior Minister Guillermo Capobianco has said in a news conference that the Bolivian Government will state its position on the U.S. proposal to combat drug trafficking within a few days. The interior minister said that, from his personal point of view, the new U.S. proposal shows that the U.S. Government and people are interested in attaching more importance to the struggle against drug trafficking by alloting large amounts of resources.

[Begin Capobianco recording] My personal opinion is that this is a very positive plan. It is a very positive plan because through it the U.S. Government, which seems to be reflecting the feelings of the majority of Americans, is attaching great importance to the actions that the Bolivian Government has undertaken, particularly in terms of prevention, treatment, and rehabilitation campaigns; organization [words indistinct] with support to the courts system; and police activities. This means that [passage indistinct]. [end recording]

Nevertheless, Capobianco added, the budget shows a relative imbalance in the amount that has been alloted to drug-prevention activities in a drug-consuming country like the United States.

Interior Minister Guillermo Capobianco also said that on behalf of the Bolivian Government, the Interior Ministry has requested that the U.S. ambassador to Bolivia supply a detailed report on the exact amounts that the new U.S. program plans to allocate to the three main aspects of the drug trafficking issue—production, trade, and the coca substitution programs—particularly in Bolivia.

Defense Minister Comments

PY0709124689 La Paz La Red Panamericana in Spanish 1130 GMT 7 Sep 89

[Text] Speaking on the U.S. plan for a new strategy in the struggle against drug traffikcing, National Defense Minister Hector Ormachea Penaranda (?has said) that for the first time the United States recognizes its joint responsibility in the eradicatin of this evil.

The state dignitary said that, in this way, at an international level and with the new U.S. position regarding the drug-trafficking problem, better results can be achieved (?because) this struggle had only been focused from the viewpoint of the producing countries and not from the viewpoint of the large U.S. and European consumption markets.

The minister also pointed out that the proposal to form a multinational force to struggle agaisnt this evil will be carefully analyzed by the government, which will present a concrete proposal during a summit of Andean presidents that will be held soon.

Speaking again on the U.S. plan, Minister Ormachea Penaranda emphasized that in due time the government will make known its position, which will have to be coordinated with the various sectors of national activity and which must have a solid basis.

Parties Register for Municipal Elections

PY0509132889 La Paz La Red Panamericana in Spanish 1130 GMT 5 Sep 89

[Text] Twenty-two political parties and a front have registered with the National Electoral Court for the municipal elections of 3 December. At the expiration of the registration period at midnight last night, National Electoral Court President (Mauro Cuellar) closed the registration period in the presence of 4 (?court members).

The following parties updated their registration with the court: Nationalist Democratic Action, ADN; Conscience of the Fatherland, CONDEPA; National Convergence Axis, EJE; Bolivian Socialist Falange, FSB; Revolutionary Front of the Left, FRI; Democratic Left, ID; Unzaguista faction of the Movement Toward Socialism, MAS-Unzaguista; Free Bolivia Movement, MBL; National Leftist Movement, MIN; Movement of the Revolutionary Left, MIR; Democratic Federalist Movement, MFD; National Revolutionary Movement, MNR; Bolivian Communist Party, PCB; Christian Democratic Party, PDC; Bolivia Democratic Party, PDB; Revolutionary Workers Party, POR; Marcelo Quiroga-led Socialist Revolutionary Party, PRS-M Quiroga; Socialist Party Number One, PS-1; and 9 April Revolutionary Vanguard, VR-9.

The Socialist Workers Party, PST; the Max Fernandez-led Bolivian Solidarity Civic Union; and the Nationalist Revolutionary Movement of the Left, MNRI, registered with the court and requested their recognition. The United Left Front updated its registration.

Chile

Army Generals Tender Resignations to Pinochet

PY0609182689 Santiago Radio Chilena Network in Spanish 1700 GMT 6 Sep 89

[Relay from La Moneda Palace by Eliana Henriquez]

[Text] The Army corps of generals have presented their resignations to President Augusto Pinochet to give him freedom of action to reorganize the Army high command.

This report was released a few minutes ago by the Presidential Press Secretariat in a brief communique, which reads as follows:

Today, at the end of the government junta meeting to reconsider situation of Army generals and senior officers, the corps of generals have presented their resignations to President Augusto Pinochet, commander in chief of the Army, to give him freedom of action to reorganize the Army's top command.

Pinochet Urges People Not To Forget Past

PY0709122889 Santiago Radio Cooperativa Network in Spanish 2300 GMT 6 Sep 89

[Text] May God protect our nation if Chileans make the same mistakes they made between 1964 and 1973 because the consequences will now be a thousand times worse. These were General Pinochet's words during a Rotary Club luncheon in commemoration of this month's anniversary of the glorious history of the Army.

During his speech Gen Pinochet recalled the act of creation of the government junta in 1973, and he added that the commanders in chief have only fulfilled their duty during this period.

[Begin Pinochet recording] Gentlemen, in the past 16 years we have done nothing else but fulfill the objectives set forth by the commanders in chief on 11 September 1973. Those who say that the government wants to perpetuate itself in power are wrong. We want to fulfill, and I think we have fulfilled, the goals we set forth that day.

Chile's economic situation is sound. We have advanced on the social front as never before. We have also progressed on the political front because we have creatred a new institutional order which is basically designed to rectify the problems created by the 1925 Constitution which gave too much freedom to political parties. [end recording]

Pinochet emphasized: I think we have fulfilled our duty by a wide margin.

[Begin Pinochet recording] I want to conclude this short speech by reiterating these words: We should stress that those who forget our past tragedies at the hands of politicians and demagogues are likely to repeat the mistakes of the past. May God protect our nation if something like that happens in Chile again despite the lesson of the suffering between 1964 and 1973, because the consequences will now be a thousand times worse. [end recording]

Pinochet also reviewed the Army's participation in the history of the nation in the past 16 years.

Constitution Error on Succession Date Scored

PY0609204989 Santiago Radio Chilena Network in Spanish 1700 GMT 6 Sep 89

[Excerpt] On 14 March 1990, Supreme Court President Luis Maldonado will probably present the presidential sash to the new president elected in the 14 December elections. This statement was made by Eugenio Velazco, a constitutionalist lawyer and president of the Social Democratic Party. He added that the 1980 Constitution includes an incredible and stupid mistake on this matter.

Velazco pointed out that General Pinochet will end his term in office on 10 March 1990 and the new president will assume office on 14 March 1990.

[Begin Velazco recording] There is no way to correct the error except by a constitutional amendment to change one of these two dates. This is now practically impossible. Thus, no matter how hard they try to solve this problem, the Constitution will prevail. So, the only solution is to introduce a constitutional amendment. Thus, I agree with Patricio Aylwin's remarks a few days ago on a television program [not further specified].

Aylwin said that we can no longer talk about a minister acting as president because there will be no more ministers. When the president ends his term in office, so do the ministers. If congress is installed, then the president of the Senate or of the Chamber of Deputies could temporarily replace the president. We know that by then congress will not yet be installed so, it will be the Supreme Court president who will place the presidential sash on the elected president. [end recording]

Velazco added that the Supreme Court president must play the role of a vice president of the republic for those 3 days.

[Begin Velazco recording] We cannot amend our Constitution again, although this government solves legal problems as it wishes. It has already changed the Constitution to suit itself, which I consider an aberration. I do not think a new amendment would be prudent because this is a minor problem, perhaps just a matter of pride. Gen Pinochet probably wants to arrive at the ceremony in his dress uniform with the presidential sash on. This, however, is what will happen: Pinochet will not have this pleasure, and like this there will be no serious

consequence and there is no reason to amend the Constitution again. [end recording] [passage omitted]

Constitutionalist Views Process

PY0609211789 Santiago Radio Chilena Network in Spanish 1700 GMT 6 Sep 89

[Text] Constitutionalist Gustavo Codas Farren said this morning in La Moneda Palace that, according to the current structure of the Chilean political system, Admiral Merino could replace President Pinochet next March. Codas was replying to a statement made by Patricio Aylwin, presidential candidate for the Coalition of Parties for Democracy, who said that a vaccum could occur at the end of the current presidential term when Pinochet will be succeeded by the Supreme Court president who in turn will pass the presidential sash to the president elected in next December elections.

Codas said that if the Constitution is correctly interpreted the acting president will exercise his right until the president elect assumes power, thus avoiding a power vaccum. Until the new executive and legislative authorities assume power, the current national power structure will be maintained, Codas said.

The constitutionalist added: This means that the first in the presidential succession should be the one who comes after Pinochet in the Government Junta, and that person is Navy Commander Admiral Jose Toribio Merino Castro.

Opposition Coalition Condemns Neghme Murder

PY0609125489 Santiago Radio Cooperativa Network in Spanish 2300 GMT 5 Sep 89

[Text] The Coalition of Parties for Democracy [CPPD] has demanded that the government investigate the murder of Jecar Neghme, spokesman of the Movement of the Revolutionary Left, to indentify his murderers and to bring them to court.

Through its spokesman, Jaime Moreno Laval, the CPPD conveyed its concern over Neghme's murder.

[Begin Moreno recording] The CPPD denounces the atmosphere of violence that has taken hold of our country, the most recent example of which was the cowardly murder of United Left [as heard] leader Jecar Neghme. This is another brutal crime—one of many similar crimes committed against political opponents of the current regime, crimes which have never been cleared up.

The CPPD energetically condemns this crime, as it has invariably condemned every act of violence affecting human lives, whatever its cause or motive. [end recording]

The CPPD also made a demand to the government.

[Begin Moreno recording] The CPPD demands that the government assume its responsibility by investigating this crime to identify the murderers and to bring them to court. Actions like Neghme's murder are evidence of the urgent need to guarantee each citizen his basic right to life.

We are certain that on 14 December the Chilean people will say no to the continuation of the current regime and will overwhelmingly support our desire to promote peace an democracy by giving a landslide victory to the candidate of the democratic forces. [end recording]

The CPPD conveyed its heartfelt condolences to Mrs Agueda Saez, Neghme's wife, and to her family.

Judge Appointed To Investigate

PY0709011189 Santiago Domestic Service in Spanish 2300 GMT 6 Sep 89

[Text] The Supreme Court today ordered the appointement of a special judge to investigate the murder of Jecar Neghme, spokesman of the MIR [Movement of the Revolutionary Left].

In response to this order, the Santiago Appellate Court has appointed Judge Carlos Meneses Pizarro to investigate the crime and to get all necessary information from the Fourth Criminal Court of Santiago. The Supreme Court ordered the investigation as a result of the public alarm over the murder of Jecar Neghme on a street in Santiago.

Bomb Explodes at Nursery in Santiago

PY0609150489 Santiago Domestic Service in Spanish 1030 GMT 6 Sep 89

[Text] A powerful bomb partially destroyed a Santiago nursery in the Estacion Central neighborhood. The bomb went off at the Father Leopoldo Mansur nursery, located at 5500 Luis Infante Cerda Street, Villa Francia, Estacion Central neighborhood.

This nursery is home to more than 400 children, between 3 months and 4 years of age, from very poor families. According to a report released by local Mayor Felipe Palacios, the shock wave partially destroyed the bathrooms, the kitchen, the living room, and more than 200 window panes.

Palacios added that a detailed report on the damage caused by this terrorist attack will be prepared on Wednesday. Police experts arrived at the place and immediately began the investigations to find and detain those responsible.

Colombia

Various Figures React to Bush's Antidrug Plan

Communications Minister Comment

PA0609142989 Paris AFP in Spanish 0451 GMT 6 Sep 89

[Text] Bogota, 5 Sep (AFP)—Colombian Communications Minister Carlos Lemos said tonight following President George Bush's announcement of his antidrug program that the drug problem continues to be "mainly consumption" in the United States which, he said should "punish consumers."

On 5 September Colombian television transmitted recorded parts of President Bush's speech. Contrary to what had been announced, the speech was not broadcast live or in its entirety.

There was no official explanation on this change of program.

Excerpts of President Bush's speech were transmitted to Colombian television viewers at a late hour (2200 local, 0300 GMT) and lasted a little over 5 minutes with a simultaneous Spanish translation.

The excerpts referred mainly to the U.S. antidrug plan's "Andean Strategy," which includes among other measures granting $260 million to Peru, Colombia, and Bolivia.

After Bush's speech was broadcast and before the newspapers hit the streets, there was little reaction, except for comments by television commentators who in general described it as "momentous."

On 5 September, when the main aspects of President Bush's antidrug plan were known some newspapers said that Colombia would only receive "a small piece of the cake."

Meanwhile, President Virgilio Barco will hold a special Security Council meeting early on 6 September at a time when rumors about a cabinet reshuffle are circulating in the Colombian capital.

Plan Received 'With Optimism'

PA0609184689 Bogota Inravision Television Cadena 1 in Spanish 1740 GMT 6 Sep 89

[Passages within quotation marks are recorded Spanish translations of excerpts of U.S. President George Bush's 5 September speech on new U.S. antidrug plan.]

[Text] Colombia and the world received with optimism the Bush antidrug plan. The U.S. President announced controls and punishments for those who use drugs. He also announced that $8 billion has been alloted for this plan, which includes rehabilitation and prevention programs. The measures have been criticized. However, the Bush plan brings hope in the struggle against drug usage.

"This is a cocaine by-product called crack which was confiscated a few days ago by policemen at a park in front of the White House. It could have been heroin or PCP. It looks like candy, but this is turning our cities into battlefields and is killing our children."

This is how President Bush began his speech, in which he delivered his plan to U.S. citizens on fighting drug traffickers. The huge number of drug users made the government increase the $2 billion budget last year.

"As you can see on this chart, in 1985 the government estimated that 23 million U.S. citizens were using drugs on a casual basis—that is, at least once during the past month. Last year, this figure dropped by over 1/3, which means that 9 million U.S. citizens have ceased being occasional drug users. Although the overall cocaine usage has dropped, the frequent use of cocaine has almost doubled in the past few years. These are the casual cocaine users, those who consume crack, and who represent the most serious and urgent problem."

President Bush's advisers said the president is aware of the difficulties of the plan, however he believes this is the first step in the struggle against drugs.

"Today, I sent this document. Our first national strategy on drug control. I sent it to the Congress."

Bush believes that with this formula he will defeat drug usage in his country, despite criticism from some U.S. Congressmen.

Medellin Cartel Attacks Plan

PA0609194289 Paris AFP in Spanish 1832 GMT 6 Sep 89

[Excerpt] Bogota, 6 Sep (AFP)—The Medellin Cartel reacted with a campaign of attacks to U.S. President George Bush's antidrug program. As of this morning the speech had not elicited any official comment on the part of the Colombian Presidency.

Only Communications Minister Carlos Elmos stated in very general terms that the problem continues to be "fundamentally that of the consumption in the United States," which he added must "punish the consumers."

Shortly after President Bush's speech, a wave of attacks shook Medellin, the general headquarters of the country's principal drug traffickers. According to a police report issued today 11 persons, including 2 newsmen, were wounded in the attacks.

The Bogota newspapers dedicated their main headlines this morning to the U.S. President's speech. In general they compared his speech to a declaration of war: "Bush Wages War (EL ESPECTADOR), "Bush Declares War" (EL SIGLO), "8 Billion Against Drugs" (EL TIEMPO).

The newspapers did not dedicate any editorial to Bush's speech, but limited themselves to publishing excerpts of his speech, taking special note of the 5-year $2 billion aid plan for Colombia, Peru, and Bolivia.

The Colombian television stations, which had announced that they would carry a live broadcast of the overall antidrug plan, finally ended up only transmitting excerpts of the speech on a delayed basis, without explaining the reason for the change of plans.

Only Caracol Radio rebroadcast the text of President Bush's speech on a delayed basis with a simultaneous Spanish translation.

Despite the curfew implemented 1 week ago in Medellin and the major military presence in the country's second largest city, two bank branches and a restaurant were blown up while a restaurant was burned. [passage omitted]

Government Welcomes Plan

PA0709011789 Bogota Inravision Television Cadena 1 in Spanish 0010 GMT 7 Sep 89

[Text] President Virgilio Barco said today it is significant how President George Bush's plan—broadcast over television last night—emphasizes the need to diminish and control the demand of narcotics. However, it is curious that while the plan was welcomed in Colombia, it was lambasted in the United States.

Following is the comment which the U.S. President's televised message received last evening:

In favor: The Bush plan corrected the Reagan policy's guidelines and referred to the consumers. Bush asked: Who is responsible? He answered: Whoever uses drugs, sells drugs, or turns a blind eye.

However, criticism against the plan indicates that Bush's plan fell short. That is what the Democrats claim. They said the plan is insufficient and lacks audacity and imagination.

The president of the U.S. Senate's Judiciary Committee said there are not enough funds. We need another D-day, he said, referring to the decisive World War II day when allies fought an all-out battle. We do not want another Vietnam, Senator Joseph Biden stated. The plan lacks audacity because it opts to punish users, but there are no laws against traffickers, and it does not seek to redeem the destruct. . effects of the drug: babies born addicted to the drug, crime, child drug traffickers, etc. The plan establishes short-term goals: Reduce the consumption of drugs by 5 percent when it is already being reduced by 12 percent.

Nevertheless, experts applaud the plan. It is a step in the right direction, they said. An NBC broadcast last night supported the plan. Drug trafficking has been paralyzed following the Colombian Government's first offensive, it reported. Other critics say: The repression has improved the business because cocaine is now sold at higher prices. Others claim that the solution is to legalize drug trafficking. This would undercut prices drastically and destroy the drug traffickers' empire.

President Bush chose an unusual site to launch his campaign for the approval of the antidrug plan. Today he visited a center which takes care of children abandoned by their drug-addicted mothers. The drug causes abortions, birth problems, and directly affects the babies—who could be born with an affected neurological system and a retarded endocrine growth rate.

The Colombian Government welcomed without reserve the U.S. plan against drugs and drug traffickers. Acting Justice Minister Carlos Lemmos Simons said it was time to control drug consumption.

[Begin Lemos recording] The situation in the country and what is taking place in other nations on the continent is basically caused by the consumption of drugs in the United States and other developed countries. President Bush has announced that every effort will be exerted—even by the military, if necessary—to curtail the consumption of drugs in his nation. We hope other developed nations follow suit because this must necessarily have a positive effect in the anti-drug battle we are waging against one of the parties involved, meaning the trafficking, production, or processing of the drug. [end recording]

President Praises Plan

PA0709014089 Madrid EFE in Spanish 0031 GMT 7 Sep 89

[Text] Bogota, 6 Sep (EFE)—Colombian President Virgilio Barco said today that the anti-drug traffic measures announced by U.S. President George Bush yesterday "demonstrate that the U.S. Government and people have recognized that the time has come to liberate our respective countries and humanity from the scourge of drug trafficking."

Barco "welcomed" the antidrug plan announced by Bush and said that this struggle "cannot be waged by a single country, or even by a few countries; it is the responsibility of the international community."

On 5 September, President Bush announced the implementation of a $2-billion, 5-year plan of aid to the Andean countries and a greater control of drug use in the United States.

Barco declared that "President Bush's plan places significant emphasis on the need to reduce and control the demand for narcotics, because the United States is one of the countries with the largest number of drug users."

The Colombian president insisted that it is "fundamental that the U.S. people recognize that the demand for drugs is at the heart of the problem." He emphasized that "this is the first and most important step in the right direction."

For his part, he said: "Colombia will carry on, because the struggle against the drug traffickers is a battle for democracy," and therefore "we hope that the other nations will also take on their due responsibility."

The actions announced by President Bush "coincide with the measures that Colombia has been calling for for some time," Barco added. He emphasized that "these measures include greater efforts against drug peddlers in U.S. city streets."

He said the measures are also directed "against the sale of chemical substances that are necessary for processing the drugs, which are produced by U.S. industries, against drug users, and against the laundering of money and the circulation of profits from that dirty business."

The Colombian president said that the U.S. antidrug plan, "if applied with vigor and determination, will be an

irreplaceale complement to the efforts being made by Colombia and many other countries."

Of course, Barco added, "in view of the dimensions that the problem has taken on, any measure seems insufficient, but this is a very favorable beginning."

Barco also was pleased that President Bush accepted a proposal Barco made in Washington in April, that a hemispheric presidential "summit" be held to coordinate actions for the struggle against the production, distribution, and consumption of drugs.

Barco 7 Sep Decree Permits Removal of Mayors

PA0709010589 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 7 Sep 89

[Text] Through a state of siege decree issued today, President Virgilio Barco ordered that the mayor of any municipality can be removed when an abnormal public order situation requires the presence of military authorities.

This abnormal situation must first be assessed by the National Security Council. The 24 Hours newscast has learned that Puerto Boyaca is one of the places where the mayor could be removed.

Decree Said 'Unconstitutional'

PA0709034889 Bogota Inravision Television Cadena 1 in Spanish 0300 GMT 7 Sep 89

[Statement by Bogota Mayor Andres Patrana in Bogota on 6 September; recorded—broadcast in progress]

[Text] ...13 dated 5 September, in which the president of the republic, the governors, intendants, and police inspectors can, at their discretion and upon request from an organization comprised of officials from an executive branch agency, suspend from their posts the mayors elected by their countrymen, is clearly unconstitutional and violates the principles of democracy.

The mayor's mandate is equal to the president's mandate. In fact, it is much more recent and the reasons for his dismissal or suspension are clearly stated in the laws, and these should be abided by unfailingly.

The terms of the mentioned decree, No 2013, also include equivocal purposes and goals, and its resolution is contrary to the dignity of the post—because the mayor cannot be replaced by someone who is not elected by the people and the mission entrusted to us cannot be negotiated for a salary that does not correspond to the post.

The Social Conservative Party obtained the geographic majority of the municipal offices in last year's elections, and I am aware that the directorate board members have not been consulted—or even notified—of issues which directly concern them.

Consequently, as president of the Association of Mayors of the Social Conservative Party, I will call for a directorate board meeting to establish a position concerning the unconstitutional nature of this official measure and to call for a meeting of the party's 450 mayors.

Medellin Cartel's Martinez Extradited to U.S.

PA0709013389 Bogota Inravision Television Cadena 1 in Spanish 0013 GMT 7 Sep 89

[Text] The 24 Hours newscast has just confirmed that Eduardo Martinez Romero, reported to be the financial wizard of the Medellin Cartel, was extradited to the United States today.

In a few hours, an Atlanta, Georgia court will receive Martinez, who has been extradited by the Colombian Government after he was indicted by the U.S. Government on charges that he laundered $1.1 billion. Including Martinez, 15 Colombians have been extradited to the United States, 14 of them during the previous government's tenure, while the extradition treaty with the United States was in force.

The first extradition was effected on the same grounds as that serving to justify this measure toward Martinez—money laundering. After Botero [not further identified], the most famous cases were those of Carlos Lehder, whose extradition was arranged for in less than 24 hours. When the Supreme Court declared the treaty unenforceable, extraditions were suspended until today, when a new instrument was utilized. This instrument was announced by President Virgilio Barco the same night presidential hopeful Luis Carlos Galan was murdered. This is an administrative recourse that empowers the president to make all decisions.

Italian's Extradition Planned

PA0609184489 Hamburg DPA in Spanish 1805 GMT 6 Sep 89

[Text] Bogota, 6 Sep (DPA)—The Colombian Government will extradite to Italy today Italian drug trafficker Tempo Felice, who was captured by authorities yesterday as part of the offensive against the cocaine-trafficking mafias.

Felice, 51, was arrested by the secret police during an operation in Chinauta, where he had established a well-known chain of restaurants.

Spokesmen of the Administrative Department of Security (DAS)—the secret police—said that the Italian is accused of drug trafficking and that he was sentenced to 11 years in prison in Italy on 14 March 1985.

According to official reports, Felice will be sent to Turin today to be turned over to the Italian Attorney General's Office.

For the past 3 weeks, combined army and police forces have been waging an intense "war" against the drug mafias, considered to be the most powerful in the world.

Government, Guerrillas To Begin Talks

PA0709035889 Paris AFP in Spanish 1656 GMT 6 Sep 89

[Text] Bogota, 6 Sep (AFP)—The Colombian Advisory Board for Peace Issues announced today that over the weekend the liberal government headed by Colombian President Virgilio Barco, which is in the midst of a confrontation with the drug-trafficking mafias, will initiate a direct dialogue with representatives from four of the six guerrilla groups operating in the country.

A high-level commission headed by Government Minister Orlando Vasquez Velasquez will travel to the eastern sector of the Andean mountain range to open the peace dialogue. The meeting will also be attended by peace adviser Rafael Pardo.

Participating in the talks will be guerrillas from the pro-Communist Revolutonary Armed Forces of Colombia (FARC), the pro-Maoist Popular Liberation Army (EPL), the pro-Indian Quintin Lame Commando Unit, and the Revolutionary Workers Party (PRT).

Those four subversive groups and the leftist M-19 [19 April Movement] compose the National Guerrilla Coordinating Board [CNG], the group that requested the direct dialogue with the government and insisted that the dialogue be at the ministerial level and not at the advisory board level.

The M-19, headed by its leader Carlos Pizarro Leongomez, has made headway with the peace process it initiated with the Barco government in December, when it declared a unilateral cease-fire and gathered at a camp equipped by the government in the Santo Domingo plains in southwestern Cauca Department.

The peace dialogue with the CNG will be carried out under the conditions imposed by the Barco government, as established in Barco's 1 September 1988 proposal.

Barco, 69, whose term will end on 7 August 1990, relaxed his position and met one of the guerrillas' demands when he designated Minister Vasquez Velasquez to dialogue directly with the subversives. Vasquez Velasquez said that the mechanisms, dates, and conditions that will lead to lasting peace will be defined during the weekend meetings.

It has also been announced that the M-19's Pizarro Leongomez expects to sign several peace agreements, after which he may be able to order his men's immediate demobilization.

Security in Bogota Reinforced; Rallies Banned

PA0609152489 Paris AFP in Spanish 0602 GMT 6 Sep 89

[Text] Bogota, 5 Sep (AFP)—Spokesmen of the Bogota Mayor's Office and the police have reported that city authorities today reinforced security measures to prevent terrorist actions.

Security personnel were increased at key public and private buildings, the Eldorado International Airport, and bus terminals.

After a meeting with the city's Security Council, Mayor Andres Pastrana issued a decree prohibiting any meetings, gatherings, rallies, or demonstrations in the Bogota District.

The decree, which was issued within the framework of the current state of siege, sets sentences of up to 60 days in jail and fines of 60,000 pesos ($150) for the organizers of such demonstrations.

Shortly after the decree was issued, a telephone booth in southern Bogota was destroyed by a bomb, police reported. There were no casualties.

6 Sep Medellin Dynamite Attacks Injure 11

PA0609130089 Bogota Radio Cadena Nacional in Spanish 1213 GMT 6 Sep 89

[Text] Medellin—Eleven people injured and huge losses were the result of a wave of dynamite attacks in Medellin last night, a few hours before the curfew ordered by Mayor Juan Gomez Martinez went into force.

The Estacion Restaurant on the road to Las Palmas and the Bella Epoca Restaurant in El Poblado neighborhood were the target of attacks. The following people were injured in the Bella Epoca Restaurant: Jorge Baez, Angela Uribe, Bernadette Pardo, and Carlos Corrales. The latter two are UNIVISION journalists.

Simultaneous attacks were also staged against the Social Savings Bank and the offices of (COB) Development in Castilla neighborhood in northwestern Medellin, where seven people were injured. They are: Julio Molina, Gloria Arcila, Luz Elena de Bareto, Estela Velasquez Vasquez, an unidentified man, and two unidentified girls.

Extraditables Responsible

PA0609141689 Buenos Aires REUTER in Spanish 0450 GMT 6 Sep 89

[Text] Medellin, Colombia, 5 Sep (REUTER)—A radio station newsman has reported that an alleged spokesman for "The Extraditables," a group that claims to be linked to the Medellin Cartel, has claimed responsibility for the burning of a restaurant today and a 5 September sharpshooter attack at the local airport.

A newsman from Radio Caracol of Medellin reported receiving a telephone call from a member of the Extraditables claiming responsibility for the burning of a countryside restraurant. The caller justified this action by saying that the restaurants' owners paid homage to a military leader.

Medellin, which is the drug traffickers' trading headquarters in Colombia, was hit by a wave of threats that turned out to be nothing but false alarms that nevertheless

prompted the police to constantly patrol the city and evacuate shopping centers in search of nonexistent bombs.

Workers said that the restaurant, whose owner was a follower of recently assassinated presidential candidate Luis Carlos Galan, was torched by rifle-toting youths.

They locked four workers in an office until the fire started. The restaurant suffered 20 million pesos ($50,000) in loses.

He also said that the Extraditables are responsible for an attack on 5 September in which a man dressed in combat gear fired an automatic rifle at industrialists and businessmen at the Medellin Airport.

The sharpshooter, who was shot by policemen, managed to kill 1 person and wound 12 others. The anonymous caller gave no explanation for the attack, a Caracol newsman told REUTER.

Two weeks ago the Extraditables declared "total war" against the government of President Virgilio Barco after he launched a campaign to repress the drug barons in which 11,000 individuals were arrested and millions of dollars in property owned by drug traffickers were confiscated.

U.S. Journalist Injured

PA0609154189 Hamburg DPA in Spanish 1422 GMT 6 Sep 89

[Text] Bogota, 6 Sep (DPA)—The police reported today that U.S. journalist Bernardette Pardo, who was sent to Colombia by the Spanish-speaking UNIVISION television network to cover the Colombian government's "war" against drug traffickers, was injured last night during an attack in Medelliln.

It was learned that Pardo was in a restaurant in Medellin accompanied by cameraman Carlos Corrales and Colombian movie actor Jorge Saenz when a medium-intensity bomb exploded in the establishment.

Pardo, of Cuban origin, suffered fractures in her clavicle and right shoulder blade and wounds in her neck. She is currently at a hospital in Medellin. Corrales was injured by splinters in various parts of his body.

The police reported that the attack was apparently carried out by a couple that was sitting at a table close to the journalists. According to reports, a woman went to the restroom, then left in a hurry followed by the man, who was accompanying her, shortly before the explosion.

On the night of 3 September unidentified individuals placed two bombs in a parking lot and garden of a Medellin hotel where several foreign journalists were staying. The journalists arrived in Colombia a few days ago to cover the intensification of the government's struggle against narcotics-trafficking organizations.

Although no one was injured in that incident, it was clear that the Medellin Cartel, the largest drug-trafficking ring in the world, had declared an all-out "war" against foreign journalists who remain Colombia.

Likewise, Colombian journalists were threatened a few days after the government's offensive began, in reprisal for the hard blows dealt to the drug cartel, in the past 3 weeks.

In a statement for a French newspaper, Pablo Escobar Gaviria, the Medellin Cartel's main "capo" said that journalists and judges "will pay the consequences" of the government's struggle, which has resulted in the arrest of hundreds of drug traffickers and the confiscation of numerous properties owned by drug traffickers.

The attack against the UNIVISION journalists occurred simultaneously with an announcement by the police in Antioquia Department—the capital of which is Medellin—of the arrest of four drug traffickers whose extradition may have been requested by the United States.

The names of the drug traffickers were not disclosed to the press. However, it was learned that their arrest took place during intensive operations which took place in this city during the past few hours as a result of which 21 mercenaries of the Medellin Cartel have fallen.

Members of the same narcotics-trafficking organization detonated two bombs in financial institutions and set a restaurant on fire in Medellin, police spokesmen reported.

Bomb Explodes at Medellin Bank; 1 Injured

PA0709031489 Bogota Inravision Television Cadena 1 in Spanish 0249 GMT 7 Sep 89

[Text] The wave of terrorism in Medellin continues. A few minutes ago a bomb exploded at a branch of the Central Mortage Bank on Guayabal Avenue. One man, identified as Mario Alvarez, was injured.

Police Officer's Wife Killed in Risaralda

PA0609163689 Paris AFP in Spanish 1543 GMT 6 Sep 89

[Text] Bogota, 6 Sep (AFP)—The Police Institution reported today that the Risaralda Province 3d District police commander's wife, Stela Torrado de Otalora, was killed on Monday, 4 September.

The victim, married to Major Jairo Otalora, was shot to death in her vehicle while on Pereira-Belen de Umbria Road, in the Colombian coffee area, approximately 300 km to the west of Bogota. The person driving the vehicle was also killed.

The criminals, riding motorcycles, intercepted the R-18 vehicle that carried the police officer's wife, Stela Torrado, 32.

The assassins killed Otalora and the driver, who has not been identified yet.

Another version of the incident is that the criminals took the vehicle and abandoned it after a few kilometers. The reasons for the crime are not known.

Army Colonel Carlos Guerrero's wife, Angela Piedad de Guerrero, was shot to death in Bogota on Tuesday, 5 September. Guerrero is the deputy chief of the Armed Forces Logistics Department.

Attorney From Cali Killed in Bogota

PA0709014789 Bogota Inravision Television in Spanish 0000 GMT 7 Sep 89

[Text] Luz Amparo Gomez Serna, a 29-year-old woman from Cali, was murdered at 1620 this afternoon. The La Gran Colombia University lawyer had just left a fruit stand in the Polo Club neighborhood in northern Bogota and was getting into a Renault station wagon driven by her brother, William, when a young man approached her and shot her three times in the head with a 9-mm gun. The killer, a young man, escaped in a green Samurai camper that was waiting for him a few blocks from the site of the murder.

According to Luz Amparo Gomez Serna's family, she had never been threatened. Until a few months ago, she worked at the district attorney's office for the national and judicial police and she had specialized abroad in criminal procedures. She was currently the lawyer for emerald dealer Angel Gaitain Maecha and was defense attorney in the case of the El Portal apartments in northern Bogota. [In a similar report, Hamburg DPA in Spanish at 0108 GMT on 7 September further identifies Angel Gaitan Mahecha as an "alleged DEA informant."]

She was married and had no children. Her husband, Jaime Castro, is currently in Spain. A criminal court judge has ordered a coroner's report.

Defense Minister: Antidrug Operations Successful

PA0709004589 Bogota EL SIGLO in Spanish 2 Sep 89 pp 1-A, 6-A

[Text] The drug traffickers' infiltration into the Armed Forces and the national government in general hinders the antidrug operations and all sorts of precautions have been taken in this regard, because this possibility was never excluded.

National Defense Minister General Oscar Botero Restrepo said that the campaign launched 2 weeks ago against the drug underworld has been successful but admitted that the drug traffickers have infiltrated the Armed Forces and the government in some cases.

"Without question, there have been cases in which members of the military and government officials have maintained links with the drug-trafficking groups," Botero said.

"Every time we have found out we have rigorously enforced the Code of Penal Military Justice and the Penal Code on the culprits and we will not hesitate to enforce them on any case we learn about. The investigations that have been carried out have been successful and the culprits have been punished accordingly," he said.

As to whether the infiltration by the drug traffickers hampers the operations, the national defense minister answered: "Of course, this hinders or may hinder our actions at a given moment, but we have never ruled out the possibility of this infiltration and have taken every possible step to prevent it.

The government launched the offensive against the drug trafficking underworld after Colonel Valdemar Franklin Quintero, police commander in Antioquia Department; Councilman Julio Cesar Penalosa; and Luis Carlos Galan, senator and presidential hopeful of the Liberal Party, were murdered.

Previously, Maria Helana Diaz Perez, third judge of public order of Medellin; Carlos Ernesto Valencia, magistrate of the Penal Chamber of the Bogota Superior Court; and Antioquia Governor Antonio Roldan Betancur had been killed.

Over 11,000 people have been arrested during 2,004 searches and raids on 550 properties during the past 2 weeks.

Botero reported that thus far this year the authorities have seized 23 tons of pure cocaine, 11 tons of coca base, 4,334 kg of pressed marijuana, and 378 coca plantations. They have also destroyed 288 cocaine laboratories and seized and destroyed thousands of gallons and kilograms of chemical products and fuel. Also, a total of 1,061 firearms, 1,356 automobiles, 33 yachts, and 142 motorcycles have been seized, and 349 planes have been grounded.

During these operations, 4 tons of pure cocaine, 138 radio sets, and 23,994 rounds of ammunition of various calibers have been confiscated.

Regarding the best kind of assistance to Colombia, Gen Botero said: "The best assistance that can be given to Colombia is to carry out truly effective campaigns in the United States to reduce the drug abuse, because if there is a demand for drugs and the economic capability to purchase them in the developed countries the situation of the drug-producing countries is truly difficult. [no end quotation mark as published]

The minister explained that the so-called drug "barons," such as Pablo Emilio Escobar Gaviria and Gonzalo Rodriguez Gacha, alleged leaders of the Medellin Cartel, have not been captured because it is difficult for troops to move into rugged mountain regions and because their hideouts are unknown.

DAS Speculates on Drug Traffickers' Activities

PA0609234389 Bogota LA PRENSA in Spanish 29 Aug 89 p 11

[Text] According to DAS [Administrative Department of Security] intelligence reports, Pablo Escobar Gaviria is in Panama, Gonzalo Rodriguez Gacha in Colombia, and "one of the three Ochoa Vasquez brothers in Brazil."

A DAS source said that although there is no confirmation, there are indications that Escobar may be "somewhere in Panama," because of the businesses he has in that country and the frequent visits made there at other times. The other reason to base this hypothesis on is "the excellent chances of communicating with the entire world." The DAS said it does not rule out the possiblity that Escobar may be wounded and hospitalized in Panama City, since he suffered an air accident some 2 months ago. The source said that there is information that one of Escobar's helicopters is missing and it is assumed that is the accident.

The authorities have been searching for the helicopter without success.

The source indicated that after analyzing the information collected in middle Magdalena and in the Rionegro area in Cundinamarca, it is believed that Jose Gonzalo Rodriguez Gacha is in Colombia and could possibly be hiding in some farming area, perhaps in the eastern plains. "He has a special attachment to the land and to the country and believes he is safer in Colombia and can move around better than in any other country," the informer said.

Regarding the Ochoa Vasquez brothers (Juan David, Jorge Luis, and Fabio), it is suspected that one of them "is somewhere in Brazil," a country they all visit frequently since about 10 years ago and where they have made huge real estate and banking investments.

However, it has not been ruled out that another of the Ochoa's may be in Venezuela or Ecuador, where they also have financial interests.

Intelligence reports indicate that none of them has been in Medellin for some time.

The source that was consulted said that the Escobar, Ochoa, and Rodriguez' bodyguards use R-15 rifles "because of their precision, capacity, and penetration." They also use Galil (Israeli rifle) and several types of submachineguns, especially Ingram and Uzi. They also use 9-mm pistols, generally Browning.

"Lately, due to the intense war between the cartels and the war the government is waging against drug traffickers, it is known that they have purchased small rockets with great impact power," the informer said.

The informant added that their greatest power "is not their weapons, but their money, because they have been able to contract people who are very well trained."

On the possibility that foreign instructors may have come to train the armed groups, DAS believes that the "self-defense groups and not the hired urban assasins" received training.

On the arrest of Rodriguez Gacha's son, Freddy Gonzalo Rodriguez Celades, the source said that he is accused of illegal possession of firearms and his legal case will be resolved in a few days. It seems that being a minor, 17, may favor his case.

New Left-Wing, Non-Marxist Party Announced

PA0709035389 Bogota EL SIGLO in Spanish 2 Sep 89 p 2-A

[Unattributed report]

[Text] Former Attorney General Carlos Jimenez Gomez will open the first national convention of the Democratic Alternative Movement [Movimiento Alternativo Democratico] toward a new Colombia at the national capitol today.

With this ceremony, which begins at 0900, those responsible for the movement will have completed the organizational stage that was started 5 months ago by several professionals, civic leaders, union members, university professors, and intellectuals who have decided to offer Colombians a leftist choice that is non-Marxist.

In addition to Jimenez Gomez, Professor Alberto Mendoza Morales, General Jose Joaquin Matallana, Adalberto Carvajal, and other leaders will also speak.

Marino Jaramillo Echeverri, Conservative former deputy and former diplomat, has been invited to express his points of view on the country's current events.

Labor Secretariat Coordinator Carvajal Salcedo said that the backers of the Democratic Alternative Movement are anxious to join efforts with the greatest number of citizens possible to "draft new concepts and ways of participative democracy to get 20 million Colombians committed to saving our country."

During the meeting, the positions of several of the Liberal and Conservative candidates will be analyzed with a view to supporting one of them or opting for an in-house solution.

Likewise, participation in the March elections will be studied from the viewpoint of encouraging the formation of coalition movements to elect municipal mayors and members to public offices.

Ecuador

Democratic Left Chooses National Leaders

PA0609030889 Quito Voz de los Andes in Spanish 1230 GMT 20 Aug 89

[Summary] Deputy Nicolas Issa was chosen national director of the Democratic Left within the framework of

the party's 10th convention which began in Ambato on 19 August and ended today, 20 August. Deputy Antonio Rodriguez and Manabi Prefect Luis Andrade were chosen first and second vice presidents, respectively.

Peru

Utility Rates, Fares, Prices Increased

PY0509223289 Lima Television Peruana in Spanish 1800 GMT 4 Sep 89

[Excerpts] The new fuel prices, authorized by the government and published this morning in the official gazette EL PERUANO, will become effective today.

Here are the new fuel prices:

95-octane gasoline	4,400 intis per gallon
84-octane gasoline	3,200 intis per gallon
24-lb gas bottle	5,000 intis
100-lb gas bottle	28,830 intis
Diesel fuel #1 and #2	2,900 intis
Kerosene, sold at refinery	1,200 intis [as heard]
Kerosene to public	1,040 intis [passage omitted]

The government has adjusted the price of medicine and special imported pharmaceutical products by an average of 40 percent. [passage omitted]

The government has also authorized an increase in the main services rendered by the state, like the telephone service and the central and southern Peruvian railroad. The price of powdered milk has also been increased.

Here are the new telephone rates:

'A' category community users	450 intis [as heard]
Residential category users	2,800 intis
Professional category users	14,650 intis
National public sector, except for state-owned companies	5,700 intis
Category 'C', commercial users	21,950 intis

The price of telephone tokens was also readjusted. They now cost 100 intis.

The ENAFER [National Railway Enterprise] rates were adjusted by 35 percent. These rates become effective today for all the services to the interior of the country, including the Cusco-Quillabamba and the Huancayo-Huancavelica services.

ENAFER's rate for the Lima-Chosica service was also adjusted. It was raised from 400 intis to 600 intis.

The price of powdered milk now stands at 1,450 intis. The price of powdered milk in large-size cans was adjusted by 24.13 percent. The price of small-size cans is 750 intis, and increase of 24 percent.

Venezuela

Perez Says Bush Assures No Invasion of Panama

PA0609132289 Paris AFP in Spanish 1222 GMT 6 Sep 89

[Text] Belgrade, 6 Sep (AFP)—Venezuelan President Carlos Andres Perez disclosed at a news conference at the Nonaligned Summit today that U.S. President George Bush has assured him that the United States will not invade Panama.

Cuban Vice President Raul Castro warned at the plenary meeting of nonaligned heads of state and government on Tuesday that a U.S. "attack" against Panama was "imminent."

Comments Further at Summit

PA0609152089 Paris AFP in Spanish 1338 GMT 6 Sep 89

[Text] Belgrade, 6 Sep (AFP)—The United States will not invade Panama, but as long as a democratic government does not exist in that country, it will not turn over the presidency of the joint canal board to Panama, which according to the Torrijos-Carter treaties must pass into Panamanian hands on 1 January 1990. Venezuelan President Carlos Andres Perez stated this at a news conference today at the Nonaligned (NAM) Summit.

"We do not believe in the possibility of a U.S. invasion of Panama," Perez stated.

Last Tuesday, before the plenary session, Cuban Vice President Raul Castro warned of the "imminent" risk that the United States "might launch a direct aggression against Panama."

Perez explained that "during talks held with President (George) Bush and ranking U.S. officials, they firmly assured us that there will not be an invasion" of Panama on the part of the United States.

However, "we were also told that as long as there is not a democratic government in Panama, the United States will not agree to hand over the presidency of the joint canal board to a Panamanian."

According to the Torrijos-Carter treaties, the presidency of the joint canal board must pass to Panama beginning on 1 January 1990.

The sovereignty of the canal must revert to Panama in the year 2000.

On 5 September Castro told the Nonaligned Summit that, through its prolonged conflict with Panama Defense Forces Commander General Manuel Antonio Noriega, the United States seeks "not to fulfill the canal treaties and not to transfer authority of the canal to a government that is the legitimate continuator of the aspirations of General Torrijos."

Referring to Bush's warning that the United States was not going to transfer the joint canal board presidency to a Panamanian unless a democratic government is estblished in that country, Perez said: "This is very serious."

"For me, not only as Venezuelan president, but as a Latin American citizen, the fulfillment of the Torrijos-Carter treaties has a Latin American dimension," he said.

However, the Venezuelan president maintained that the Panamanian people's rights are not limited to the canal.

"It is the Panamanian people's right to have their Constitution respected, which establishes that the election of president and legislators should be through secret and direct voting," he maintained.

On 1 September Francisco Rodriguez was appointed provisional president of Panama, after the elections—which the anti-Noriega opposition claims it won—were annulled. However, the government said there had been fraud due to U.S. intervention.

Perez said the Panamanian Constitution establishes that the government shall be elected through free and secret voting.

Perez reported that the provisional government will proclaim a new constitution—which will have no legal validity—appoint a Congress and name new aldermen to replace those who were elected by the people.

"There is a total absence of law and legitimacy," in the Panamanian situation, Perez emphasized. Perez reported that since he was inaugurated the only contacts he has had with Noriega were "through envoys he sent to see me."

He explained that one of the errors made during the Panamanian crisis was the attempt to force Noriega's removal, making it a precondition. "We should have demanded the establishment of a democratic government elected through free and secret voting. Then, that government should have decided the fate of General Noriega," he added.

Perez maintained that no one has the right to impose a solution on Panama. However, Panama and the Panamanian Government "should respect the principles established in the OAS Charter document and the text of its own Constitution."

The Venezuelan president advises intensifying the search for all possibilities to reach an agreement. He recalled that the OAS consultation commission (Ecuador, Guatemala, Trinidad and Tobago) remains open.

Asked what would Venezuela do if the United Stated invaded Panama, Perez refused to reveal anything and commented: "We believe that there will be no intervention.

* Perez Seeks 'Observer Status' Within Caricom

33480274a Caracas EL NACIONAL in Spanish 6 Aug 89 p D 1

[Text] Tobago (Special, Miraflores Press Service)—Carlos Andres Perez, the president of Venezuela, met here on 6 August with five Caribbean leaders to discuss the debts of developing countries and to improve cooperation between the countries of the Caribbean and the rest of Latin America.

The group will discuss several regional problems, including the narcotics traffic, external debt, and the debts which the Caribbean nations owe to Venezuela.

Entry Into Caricom

During the meeting which the Caribbean heads of government and their representatives held on 5 August in Tobago, President Carlos Andres Perez requested that Venezuela be admitted as an observer into Caricom [Caribbean Common Market]. The request made by the Venezuelan chief of state is based on the need which he sees to unite with the Caribbean countries in facing up to large, international power blocs.

Attending this meeting of leaders of the member countries of Caricom were Michael Manley, prime minister of Jamaica; Desmond Hoyte, president of Guyana; James Mitchell, prime minister of St. Vincent and the Grenadines; S. R. L. Erskine and Sandy Ford, representatives of the Barbados Government; and N. R. Robinson, prime minister of Trinidad and Tobago and the host of this summit meeting.

President Perez was accompanied by Ministers Reinaldo Figueredo and Celestino Armas; by Eduardo Quintero, president of the Investment Fund; and by Senator David Morales Bello.

Robinson's Speech

This meeting was called by Prime Minister N. R. Robinson of Trinidad and Tobago who pointed out during his speech that its purpose was to deal with and face up to the changes presented by the present period. He also said that we need to establish broad cooperation between our countries. This need has been a permanent concern of President Carlos Andres Perez, one of the most important statesmen in the Americas, a man continuously concerned with the internal problems of the Southern Hemisphere, a concern which Robinson said that he shared.

Robinson stated: "We are living through an historic moment of great importance, which will make it possible to broaden our relations. Therefore, I welcome the opportunity, on behalf of my country, to host this meeting."

Perez' Speech

Following the remarks by Prime Minister Robinson, President Carlos Andres Perez spoke and stated that it

was an honor for him to make use of this opportunity to meet with the member countries of Caricom, "convinced as I am," he emphasized, "of our common destiny on the basis of our integrated and concerted efforts."

He added: "No country in our America, however large it may be, such as Argentina or Brazil, has a secure future unless it is by means of integration. The Caribbean is forced to face up to this challenge of understanding and cooperation."

Caricom is made up of these island states, small in territory but large in terms of their marine and underwater wealth. The Venezuelan president said that the countries of Caricom are a great island force with a great destiny facing them.

He stated: "We must contribute to the development of these countries, in the sense that our cooperation will lead to benefits in return for us Latin Americans."

During the 2 days which he spent in Trinidad and Tobago, President Perez said that "I have realized the great possibilities opening up before our countries. However," he stated, "I have been able to observe that those opportunities are being lost and time is being lost, as well as mutual cooperation in the development of our petroleum industries and in the development of a great fishing industry."

He said that he had proposed "to my friend, Prime Minister Robinson, the establishment of a mixed fishing industry which could be developed through our joint efforts."

He then pointed out that this idea of a joint fishing fleet could more profitably be turned into a great Caribbean fishing fleet, made up of all of the countries present at the meeting.

He said that this and other ideas can be carried out in practice and that they have not materialized so far due to the lack of the necessary decision and vision, because we have lived under the influence of mistrust and suspicion, and because we have not thought of our borders as links to understanding.

President Perez stated: "I wish to ask the countries represented here to allow Venezuela to be an observer country in Caricom. We need each other. We live in a world which is different from what it was during the time of colonialism. However, we still depend on that feeling of dependency toward the industrialized countries, a feeling which we should discard and realize what we can do and be. We should consider that there are already well defined communities, such as Canada and the United States, the European Community, the Soviet Union, and the People's Republic of China."

The president of Venezuela questioned: "What will happen to us if we do not unite in facing up to those international power blocs in order to compete adequately?"

He continued by saying that this is the thought which we must consider. If we do not take advantage of these historic moments, they will not serve the future generations of the peoples of the Americas.

At the same time he recalled that the South Commission has been working for 1 year, under Julius Nyerere, the African leader. He said that work is being done in that commission to give us a precise idea of what we are and what we can do. We are also revitalizing the Group of 87 Countries. He indicated that during the 1980's, which he called a "perverse" period of history, it was myopic nationalism which separated us and which weakened our efforts toward integration which had been displayed during the 1960's and 1970's.

He added that, fortunately, we are rectifying this situation and he said that he hopes that during the 1990's, when we will enter the year 2000, we will find ourselves ready to take up and deal with this challenge of the third millennium of humanity.

He concluded his speech, stating that he was filled with emotion at this time in view of the importance and great, historic significance of this meeting. He said: "I salute all of you fraternally on behalf of my country."

* Colombia To Issue Visas for 1-Year Period

33480274b Caracas EL NACIONAL in Spanish 1 Aug 89 p D 15

[Article by Txomin Las Heras]

[Text] Colombia has agreed to issue Venezuelan citizens with visas valid for 1 year with multiple entries, giving them reciprocal treatment for what Venezuela has granted to Colombian citizens.

The authorization for the issuance of these visas under the new conditions was approved by the Venezuelan government authorities on 3 May, in accordance with a joint resolution of the Ministries of Interior and Exterior Relations which appeared on 3 May 1989 in the GACETA OFICIAL.

Colombian consular authorities will have the power to decide on the issuance of the visas, both for tourists as well as for businessmen, thereby eliminating the requirement for previous agreement from the immigration authorities.

The visas will be valid for 1 year for multiple entries and will provide for a maximum stay of 90 days each time that a citizen enters the country which he is visiting.

The business visa will be a special benefit for Colombian and Venezuelan business activity, facilitating commercial and mercantile activity and the provision of technical, scientific, and cultural assistance. The applicant will have to meet the following requirements, in accordance with GACETA OFICIAL No. 34211:

1. A valid passport issued by the corresponding government, which must be valid for a minimum period of 6 months from the date of the visa application.

2. The applicant will have to present his application in writing or present a letter from the company where he works, stating that his trip is for activities related to the company, as well as providing the name and address of the company or the person with whom he will be in touch in Venezuela. If the trip is made at the request of the Venezuelan resident, there must be evidence that the resident of Venezuela will be responsible for paying the expenses resulting from his stay and departure from the country.

3. A commercial registry number or equivalent document, depending on the appropriate legislation, in case the interested person is the owner of the company.

The official charged with issuing the visa will have to interview the applicant personally to check the authenticity of the information provided.

* Inflation, Unemployment Figures Analyzed

33480274c Caracas EL NACIONAL in Spanish 8 Aug 89 p A-4

[Article by D. F. Maza Zavala: "Unemployment and Inflation"]

[Text] The greatest burdens of the Venezuelan people at this time are unemployment and inflation, in that order. According to the latest statistics from the OCEI [Central Office for Statistics and Computer Science], the government service for quantitative information, during the first half of 1989 the rate of unemployment was about 8.7 percent, compared to 7.7 percent during the same period of 1988. In absolute terms unemployment increased by 86,000 to reach a total of 584,257 persons. The total working force in the country is about 6.7 million.

Inflation, measured by changes in the consumer price index in the metropolitan area of Caracas and calculated by the Central Bank, recorded a cumulative increase of 61.5 percent during the period from January through July of 1989, compared to 12.3 percent during the same period of 1988. In the basic commodity group of the index, food, beverages, and tobacco products, the upward change during the 7-month period under consideration was 77 percent, compared to 12 percent during the same period of 1988. Nevertheless, monthly averages during the first 7 months of 1989 varied cyclically. They were relatively low during the first 2 months of 1989, increased markedly in March and April, and declined during the following months, with a rise of only 2.5 percent in July. For a better understanding of this movement it should be said that these variations reflect the inflation rate. The general price level continues to increase but at a decreasing rate. If the change observed in July, an increase of 2.5 percent, were continued for the remaining 5 months of 1989, the index of prices during the year would reflect a cumulative increase in the order of 77 percent, which would make it possible for President Perez to stay in the country.

Unemployment is increasing slowly in 1989. In this connection it has had some impact in the public sector, since employment in this area rose from 1,134,343 during the first 6 months of 1988 to 1,173,998 during the first 6 months of 1989. As a result this sector increased its share of total employment from 19.1 to 19.2 percent over the same period. By comparison with the second half of 1988 the increase was more noticeable, as the role of the public sector was then 18.7 percent. We should also mention the decree prohibiting laying off workers. In any case the behavior of employment figures over the very short term is rather rigid. It is necessary to wait to see what is going to happen in the second half of the year. The Ministry of Coordination and Planning estimates that without the employment program which the government is planning to implement, beginning in October, the unemployment rate could be more than 11 percent.

Inflation is a perverse and pathological phenomenon which affects economic policy in many ways and disturbs the ways in which the economy functions and grows. Inflation strikes at the living levels of the majority of the people, disrupts the family budget, takes purchasing power away from salaries (in 1989 there may be a fall of 50 percent in terms of real income), distorts cost structures, overturns economic expectations, makes it necessary to revise capital and profit values (it should also have an impact on the system of taxation), and, above all, makes it very difficult to implement economic policy. The sectors most seriously affected by the inflation of 1989 and its effects are principally agriculture, construction, and the durable goods industries. In the social sphere the sectors which suffer the most intensely from the effects of inflation are salaried workers, the lower and middle levels of the middle class, people on pensions, and all those who have no means of adjusting their monetary income to the price level, as companies and those who have variable monetary incomes do, for the most part.

As a process the inflation of 1989 is like the inflations of previous years. To a considerable extent the actual rise in prices was held down in 1988, and the so-called freeing of the market made it possible for prices to increase sharply, above the limits of the policy of adjustment. The establishment of a single, floating, and supposedly free rate of foreign exchange in an essentially importing country like ours has had a major impact on price dynamics, making them increase by more than 150 percent. Those who owe money under letters of credit are trying to pass on to the consumer the differential between the old, preferential rate for the U.S. dollar and the free rate. The increase in charges for public services, fuel prices, and the cost of production inputs turned out by state companies have strengthened the inflationary surge. Speculation has played its part, but the considerable fall in consumer demand apparently has slowed it down, although various outbreaks of speculation and, in some cases, a kind of market anarchy continue. On the

other hand, the moderation in the increase of prices over the last few months has been favored by the low rate of increase in monetary liquidity. Of course, the substantial increase in interest rates has contributed to the contraction of private consumer spending and investment, while it has stimulated a movement of money from bank checking accounts to different kinds of deposits, interest bearing checking accounts, and longer term savings accounts. The prospects for the final quarter of 1989 are for some resumption of the inflationary surge.

The fall in demand, the high financial costs of investment, the shortage of credit for production and investments, and uncertainty regarding the success of the policies of economic adjustment, among other factors, are causing an appreciable recession in the employment market. The manufacturing industry, on the average, is operating at less than 50 percent of capacity. The construction industry is practically in a state of stagnation. Vegetable farming is showing a reduction of not less than 35 percent in the planted area. Most services show very little activity. Everything leads us to expect that unemployment will reach 11 or 12 percent over the next few months, which means an increase in the order of 55 percent, compared to the second half of 1988. The emergency jobs program announced by the government, with expenditures of 20 billion bolivares over a little more than 2 years, contemplates the creation of 148,000 jobs, in large part outside the productive sector of the economy. This program could produce an increase in consumer demand and favor the greater utilization of industrial potential. Hopefully, it will not turn into just another emergency plan.

Suriname

Indians Control West; Army Said Supplying Arms

FL0509151789 Bonaire Trans World Radio in English 1130 GMT 5 Sep 89

[Text] Suriname's Government has urged a dialogue with Indians who have hijacked a ferry boat, a small plane, and a barge. The Indians are protesting a government peace agreement with rebels. The revolt by the Indians appears to have spread to most of the western part of the country. Reports indicate that the Indians control the west while the Jungle Commando rebels control the eastern part of Suriname.

Suriname's Army has been accused by some members of the country's National Assembly of supplying weapons to the Indians.

Arron: Government Ready To Talk

FL0509192589 Paramaribo International Service in English 1730 GMT 5 Sep 89

[Text] The government has not indicated that the National Army supplied the Amerindians the weapons. This was stated by Vice President Henck Arron yesterday afternoon during an emergency meeting of the National Assembly. According to Arron, the Amazon Indians got their weapons from the fights against the terrorist gang of Brunswijk. The Army has promised to give all the support in order to solve the current problem, said Arron. He has further announced that a government [words indistinct] stop the terrorist group which can contribute to the solution to the problem. Both the government and the assembly have stated that they are prepared to hold talks with the Amazon Indians. They have called on the Amerindian leaders to identify themselves.

Emergency Assembly Meeting Held

FL0509195389 Paramaribo International Service in English 1730 GMT 5 Sep 89

[Text] The National Assembly is supporting the government in its efforts to bring an end to the recent armed actions to a dialogue. This was stated in a motion which was passed unanimously yesterday [4 September] in the National Assembly during an emergency meeting.

The emergency assembly meeting has condemned the recent armed actions carried out by a group which calls itself (Pujayana Amazonica) and which has taken control over the rest of the part of the country. In the motion, every act of violence against the security of the state is categorically condemned. The deputy chairman of the assembly, (Omar Rogers) who chaired the meeting yesterday, among other things condemned the increase in violence in the country. (Rogers) is of the opinion that a police force would be best equipped to cope with the increase in violence.

Indians Want Accord Changed

FL0709145089 Bonaire Trans World Radio in English 1130 GMT 7 Sep 89

[Text] An Amerindian rebel leader in Suriname says rebels will lay down their arms and release hostages if authorities agree to modify a peace accord with rival Bush Negro guerrillas.

Last weekend the Amerindian gunmen in western Suriname hijacked a small plane, as well as a rice barge, and a ferry boat. They kidnapped an unknown number of passengers and killed one. The attacks were to protest a peace agreement with rebel leader Ronny Brunswijk. The Amerindians were allied to the Army in its war against Mr Brunswijk's jungle commando. For that reason, they fear retribution should they fall under the control of the rebels who will likely become part of the police force in eastern Suriname.